

The Man for the Job—Part I

UNIVERSITY  
OF MICHIGAN  
SEP 23 1952

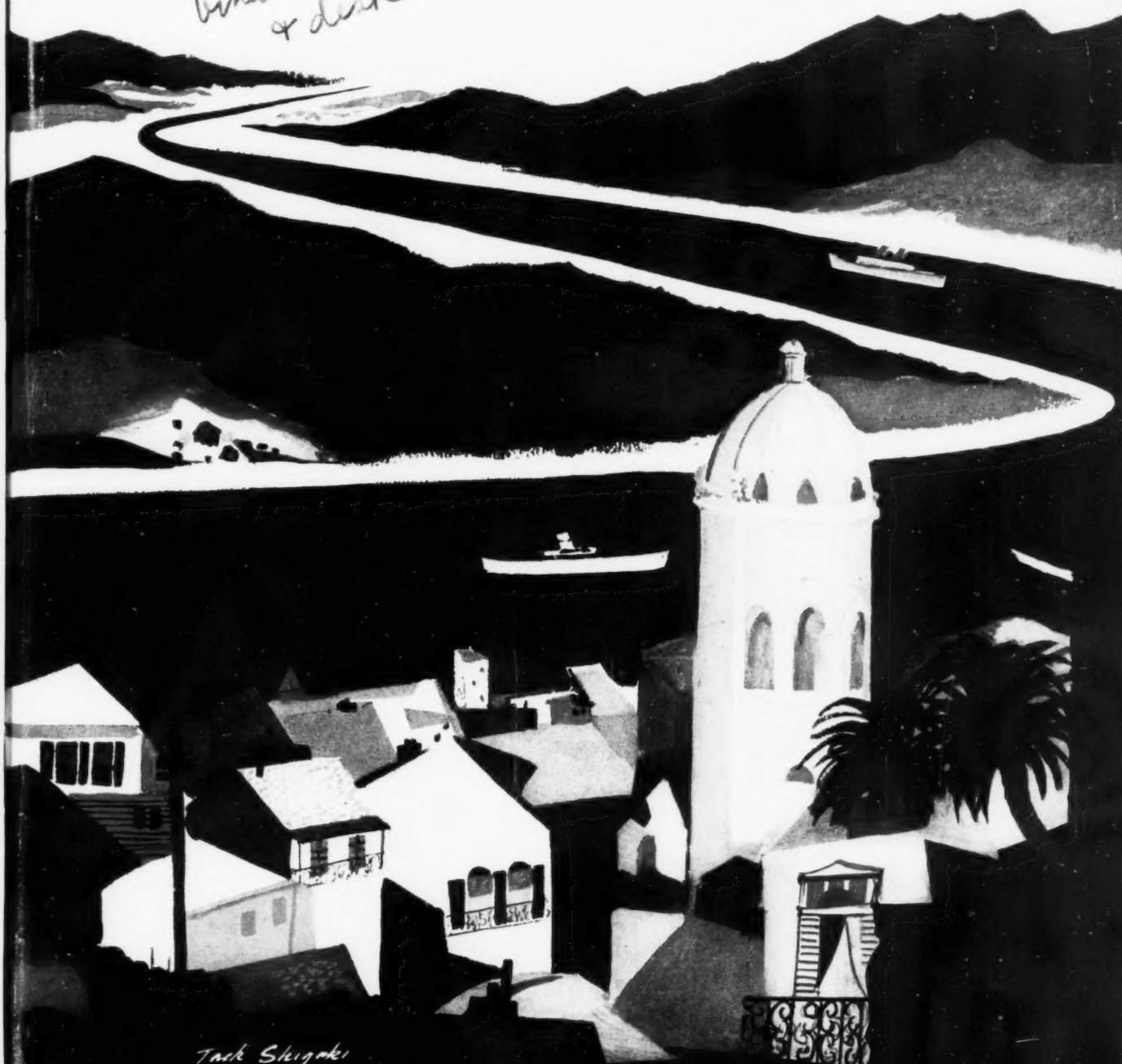
PERIODICAL  
READING ROOM

*The*  
**Reporter**

September 30, 1952 25c

Panama: Two Flags, Two Standards

*binders  
& desk*



*Tack Skogake*



Dublin Evening: The Liffey and O'Connell Bridge. (See Page 36.)



## THE REPORTER'S NOTES

### Whose Scandal? Whose Decency?

"... If you are as tired as I am of picking up your newspaper every morning and reading about a fresh Government scandal, then let's get together and restore decency and honesty and integrity to the nation's capital."

Thus Republican nominee Dwight D. Eisenhower exhorted an Atlanta audience not long ago. It strikes us that the General may have been too busy to read the newspapers lately. The fact is that the daily reporting of government scandals fell off sharply about last March, right after the Republican Senate Minority Leader, Senator Styles Bridges of New Hampshire, was questioned about his intercession in behalf of Baltimore liquor dealer Hyman Harvey Klein. Senator Bridges said he did not know that tax fraud was involved in the case. He also denied that Henry W. Grunewald, the man whose name has appeared in so many Congressional investigations, had acted on his behalf. Congressman Cecil R. King (D., California), chairman of the investigating subcommittee, was very sympathetic, hazarding the view that the Senator had been taken in by two of his "friends," one of these being Mr. Grunewald.

No one can intelligently deny that there have been messes in Washington. But somehow since last March there has been far less zeal in ferreting out and publicizing new ones.

### The National Game

If politics were conducted as intelligently as Big League baseball is, this is the time of year when the Democrats would trade their erratic fireball pitcher, Senator Pat McCarran of Nevada,

to the Republicans for a reliable outfielder like Senator Wayne Morse of Oregon—throwing in two or three utility Dixiecrat Congressmen, if that would help to consummate the deal before the World Series begins. The way things have been going, the Republicans might agree to the deal. Their pitching staff can offer nothing to compare with Stevenson's fast curve, and they might feel that McCarran's views on immigration, Reds under the bed, the United Nations, and corruption in any government except that of the State of Nevada could provide relief in the late innings for Joe McCarthy's famous spitball.

But politics is not conducted as intelligently as Big League baseball, and McCarran has grudgingly signed a new contract to stick with the team for at least the rest of this season by saying that he's gotten "a different slant on Stevenson." If the Democrats are wise, they'll keep McCarran on the bench and send him back to the bush league at the first opportunity.

NEVADA, incidentally, is not so snug a bailiwick for Senator McCarran as most people, ourselves included, thought. Thomas B. Mechling, a thirty-one-year-old Washington newspaperman who had moved to Nevada only a few months previously—too brief a period to qualify for a divorce in most states—got just enough votes in the Democratic primary to beat Alan Bible, Senator McCarran's man, for that party's nomination for junior Senator. This victory of the forces of light caught us off base. We shall be even more surprised to hear of proffers of support for Mechling by McCarran:

Magnanimity is not one of the Senator's virtues, and it is news (see above) when this man who is so zealous in curbing disloyalty stoops to practice mere party loyalty.

### The Reluctant Mr. Nixon

An amusing—if not squalid—aspect of the Republican campaign is Vice-Presidential candidate Nixon's race against Alger Hiss. Even funnier has been Nixon's ostentatious "reluctance" to mention the issue of "Communists in government." Only what Nixon has called Adlai Stevenson's belittling of the problem has induced Nixon to make it an issue—says Nixon.

Nixon's nomination was made for the very purpose of thrusting forward the issue of domestic Reds. Stevenson's alleged belittling of the issue was so hushed that only Nixon's delicately attuned ear put him in a position to catch it. But my, how he broke at the starting gate! There was nothing hushed or restrained about Nixon's treatment of the matter in Augusta, Maine, when he mentioned "a host of Government officials exposed as Communist Party members." Possibly such noisy hyperbole was the only way to drown out the liquor scandal that had just broken in Maine's State Republican Administration.

### The Disbanded Gideon

Henry Wallace, after a long detour of the spirit and mind, has gotten himself at least partially right with today's realities. When he resigned some two years ago from the Progressive Party, which he headed in 1948, he climbed down off the wave of the past that he had ridden with such catastrophe to a

promising career. A few weeks ago in *This Week Magazine*, he explained why he had been so wrong, but we fear that there may be a great deal of self-delusion in his explanation.

Russia's espionage activities and its crimes in Czechoslovakia finally convinced him that Russia meant no good to the free world. Because Wallace had not seen with his own eyes the abuses of slave labor on his visit to Russia, he had not believed they existed. He had liked Soviet progress in science and experimental agriculture. In other words, if we accept Wallace's own explanation, he was like those who had been impressed by the punctuality of Mussolini's trains.

It is to Wallace's credit that he has publicly repudiated his past course, but there is much more he can tell us about himself and about those who gulled him. The noisy acclaim of a small clique can be heady stuff. It can dupe individuals and even newspapers. Wallace has always been innocent because he was never the leader of the Progressive forces. He is still guilty because he denies his role, finding implausible explanations to dignify his gullibility.

Few statements could sound much more simple-minded than this one from his article:

"I thought the Soviets had more sense than to do what they have been doing during the past few years."

Same old Henry.

### Poppa

We are glad that Ernest Hemingway has written a good book, *The Old Man and the Sea*. We are sorry that he has written a vulgar parody of his own book, an endorsement for Ballantine's Ale. His letter endorsing Ballantine's appears in national magazines across from a picture of himself reading what looks like a copy of his own book. "You have to work hard to deserve to drink it," he writes of Ballantine's. "... And you ought to taste it on a hot day when you have worked a big marlin fast because there were sharks after him. You are tired all the way through. The fish is landed untouched by sharks and you have a bottle of Ballantine cold in your hand and drink it cool..."

He calls the ale "full-bodied." (Hemingway occasionally uses jargon, but it has usually been his own jargon.) The true test of ale with Hemingway on these occasions is "whether it tastes

as good afterwards as when it's going down." We can almost hear that full-bodied sound rolling sonorously across the Gulf Stream now.

Now, don't get the idea that we have anything against Ballantine's Ale. We enjoy it too, although we probably don't deserve to. What we object to is not that Hemingway likes a glass of ale after he has worked hard, but that he gives such an indication of valuing his own hard work so cheaply.

### Snake Oil

During an election campaign, political speakers don't usually make foreign policy; they try to bottle, brand, and sell it. John Foster Dulles, in his speech before the American Political Science Association, followed this tradition when he said the "containment" policy of Truman and Acheson must be abandoned. The "liberation" policy that he urged as the alternative involved the instigation of resistance in the satellite nations and arms aid to underground movements behind the Iron Curtain. Dulles predicted that Soviet power would then collapse from within. To our European allies this policy can sound like only one thing—war.

Speaking later in Michigan, Governor Stevenson showed a refreshing reluctance to debate brand names. Referring to foreign policy as a "deadly serious business," he pointed out that liberating the satellites "should never be an issue between Americans, for we are all united in our desire for their liberation from the oppressor and in confidence that freedom will again be theirs." He cited the steps that the Administration has already taken through

the United Nations, the Atlantic, Pacific, and Western Hemisphere regional security treaties, the programs of military and economic aid to other countries, the Point Four program, and various long-standing financial and commercial policies such as the reciprocal trade program.

He projected for the future continued efforts to outlaw genocide, a review of our immigration policy, and the provision of better care for those who succeed in escaping from behind the Iron Curtain. "Above all," he stated, "we must work with others to build strong and healthy societies in the free nations, for we know that the future freedom of Poland, Czechoslovakia, Hungary, Eastern Germany, and the other peoples who have fallen under Soviet rule depends on the outcome of the vast world-wide struggle in which we are engaged."

What was remarkable about this reaction to Dulles's speech was that it did not attempt merely to show that the Democratic product is better than the competitor's. Instead, it stressed the similarity of both parties' goals and techniques short of force. Stevenson did not take the obvious opportunity to label his opponent a warmonger. He was following the precepts of his own Chicago acceptance speech when he said, "Let's face it. Let's talk sense to the American people. Let's tell them the truth, that there are no gains without pains."

If all other campaigners would follow this precept, they might succeed in marketing a new and useful product, instead of either snake oil or spring water.

### MISS RHEINGOLD 1953

Oh, what a lovely election,  
With nobody pouring it on!  
Just six pretty girls for selection  
On a platform of malt and chiffon!

### MIDDLE EAST

Petroleum, petroleum,  
With power so accursed,  
Thou art no longer lubricant  
But bringest out the worst.

Cupidity and violence  
Gush with thee from a soil  
Where few there are who benefit  
From any drop of oil.

—SEC



# CORRESPONDENCE

## THREE WHO DO NOT AGREE

**To the Editor:** Henry S. Hayward's article ("Problem Children of Democracy: Syngman Rhee vs. the Assembly," *The Reporter*, September 16) is cut from the same cloth as the series of articles he had previously published in the *Christian Science Monitor*. Over a thin veneer of facts he spreads a fabric of biased and highly emotionalized interpretations. It is astonishing to me that a nation as mature and experienced as is the United States is willing to accept this sort of thing and to call it "reporting."

He indicates: 1) that in his judgment there is a great deal of corruption among the Assembly Members; 2) that President Rhee had eleven of them arrested for accepting bribes and one for (admittedly) committing a murder; 3) that the common people of Korea trudged into Pusan from all sections of the south to insist that the Constitution be amended to provide for popular election of the President and a two-chamber legislature instead of a unicameral body; 4) that the Assembly finally voted such an amendment; and 5) that President Rhee was re-elected by a margin of six and a half to one over his nearest competitor.

Around this skeleton of facts, all of which are true, he wove a dramatic and fantastic story of the sort we rather expect to be confined to the fictionalized mystery-story magazine. Despite the outbreaks of Communist guerrilla activities reaching into the very outskirts of Pusan, he asserts that President Rhee "invented" a Communist plot in South Korea. Despite the presence of upwards of three hundred thousand American soldiers and many representatives of the United Nations, and despite the very close and cordial relationship of President Rhee and the Republic of Korea Government with these forces and representatives, he fabricates an atmosphere of terror in which Assemblymen have to huddle behind the coattails of a foreign correspondent (himself) for "protection."

Any reader who keeps his intelligence centered upon the facts of what happened in Korea, despite the befuddlement caused by the kind of sensational "reporting" by which Mr. Hayward earns a living, will note: 1) that the people of Korea overwhelmingly insisted upon the re-election of President Rhee; 2) that President Rhee was a most reluctant candidate and (unlike the reluctant candidates in America) did not even make a single speech or issue a single statement on behalf of his candidacy; and 3) nevertheless, in an election attested by all observers to have been quiet, orderly,

and secret, President Rhee was "steam-rollered" (to use a Haywardism) into a second term.

My own interpretation is that a reporter who confines himself to relating facts might earn less money but would merit more respect.

YOU CHAN YANG  
Korean Ambassador  
Washington

**To the Editor:** The readable article "How the Democrats Got Together" by Douglass Cater (*The Reporter*, August 19) includes one paragraph of serious misstatements that prompts an inquiry as to how the author got together with his facts. The paragraph:

"The Friday before the Convention opened, the Americans for Democratic Action, the National Association for the Advancement of Colored People, the CIO Political Action Committee, and B'nai B'rith held a joint 'leadership' conference at which key representatives stated the formula that was to be repeated on numerous occasions afterward. This was that the South had played no decisive part in the elections of Franklin Roosevelt from 1932 to 1944. It was argued that even in 1948, if three Northern states had not been lost because of the Wallace defection, the electoral votes of the Solid South would not have been necessary."

To correct the record, then: On July 16, during the time the Democratic Party's platform committee was engaged in public hearings, representatives of four groups held a joint press conference. They were James B. Carey of the CIO, Walter White of the N.A.A.C.P., Stanley Gerwitz of A.D.A., and Philip M. Klutznick, a vice-chairman of the Anti-Defamation League of B'nai B'rith.

The press conference in Chicago was concerned wholly with the topic of civil rights, and at no time was any "formula" or other political interpretation expressed.

When the four organizational representatives agreed to the joint press conference, it was decided that nothing would be said regarding the candidacy of any individual. However, during the give-and-take of the interviewing, Mr. Carey and Mr. White, in response to persistent questioning, declared that Senators Russell and Kerr and Speaker Rayburn were "not acceptable" candidates. However, both these gentlemen made it clear that they were speaking only for the CIO and the N.A.A.C.P., respectively.

Mr. Klutznick promptly told the press conference that he could not and would not take any position on any individual candi-

date and that his single interest in being present as representative for Jewish groups was to urge the adoption of a strong civil-rights plank by the Convention.

The Anti-Defamation League, as the educational arm of B'nai B'rith, is necessarily and unequivocally nonpolitical in makeup. Among the 370,000 members of the B'nai B'rith are individuals in every state of the Union, men and women of conviction who adhere to all shades of American political opinion. The A.D.L. welcomed the opportunities to present its views on civil-rights matters to the proper committees of both the Democratic and Republican Conventions. Its task ended there.

BENJAMIN R. EPSTEIN  
National Director  
Anti-Defamation League of B'nai B'rith  
New York

**To the Editor:** I request that William S. Fairfield retract in your next issue his allegation (in "A Delegate's-Eye View of the Convention," *The Reporter*, August 19) that I "accused Humphrey of a sellout on compulsory FEPC" at the Democratic Convention. I merely asked Senator Humphrey why he had not submitted a minority report from the platform committee and accepted his explanation that he was forestalled by Congressman Dawson's speech in committee advocating compromise. In subsequent statements to individuals and to the press, I explicitly absolved Humphrey of responsibility in the compromise and said there was nothing else he could have done.

ABAM CLAYTON POWELL  
West Hampton, New York

[We have received the following reply from Mr. Fairfield: "Congressman Powell used the word 'sellout' not only in my presence but in the presence of several members of the Minnesota delegation. The statement was obviously made in the heat of the moment, but an hour later I saw the Congressman again and asked him if he still considered the civil-rights plank a sellout. His answer was, 'Certainly.'"—THE EDITORS.]

## LISTEN, MY CHILDREN

**To the Editor:**

LINES WRITTEN IN DEJECTION  
A FEW MILES ABOVE MORNINGSIDE HEIGHTS  
Between the Duff and the Dirksen,  
When November's beginning to lower,  
Comes a pause in Republican thinking  
That is known as the Eisenhower.

JOHN ANON  
Lily Dale, New York

# The Reporter

A FORTNIGHTLY OF FACTS AND IDEAS

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## in this issue...

This issue deals with immediate and future political changes: On page 5 the Editor reviews an important policy change by *The Reporter* that has been occasioned by the progress of the 1952 campaign thus far. He will have much more to say about this in our next issue. Two succeeding articles, by William H. Hessler and Joseph C. Harsch, remind us of the vital differences between this election and those since 1932. Regardless of who wins, both the governmental organization and the blocs that make up our parties are due for overhauling and realignment. And on the regional level, many of this year's contests can have decisive effects on the political institutions with which we live most closely. Ralph M. Blagden examines one of the more dramatic of these local campaigns.

William H. Hessler is on the staff of the Cincinnati *Enquirer*. . . . Joseph C. Harsch is a special correspondent of the *Christian Science Monitor*. . . . Peter Schmid, a roving correspondent for the *Neue Zürcher Zeitung*, recently wrote a book on Spain. . . . George Soloveyitchik draws on long experience as journalist, economist, and lecturer on international affairs. . . . Jean-Jacques Servan Schreiber reports from Paris for this magazine. . . . Sid Lens is Director of Local 329, United Service Employees Union, AFL. . . . Paul Samuelson is Professor of Economics at the Massachusetts Institute of Technology. . . . Honor Tracy is an English journalist; she is the author of *Kakemono* and has contributed to *Harper's Bazaar* and the *Atlantic Monthly*. . . . Nathaniel Pfeffer, Professor of International Relations at Columbia, is the author of several books on China and the Far East. . . . Cover by Tack Shigaki.

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## A STATEMENT

# The Man for the Job—Part I

ALL of the paragraphs below, except the last one, appeared in this space or in "The Reporter's Notes" on the dates indicated:

"An election is coming up that must not end in a draw. The man who will be elected President of the United States in 1952 will be the head of the only democratic nation that still has power of initiative and decision." (November 27, 1951)

"The peculiar characteristic of this Presidential election is perhaps that while it will be run as one of our usual slugging matches, the nation will require a moratorium on a large measure of partisanship as soon as the new Administration is at work. The gravity of the international situation and the present uneasiness of the public make this imperative. To raise the moral tone of the nation, the mere replacement of the party in power or reshuffling of an existing Cabinet is not enough. Public opinion is determined to go to the heart of the whole matter, and corruption is not the monopoly of any one party.

"The moratorium on partisanship does not need to be complete or to suspend the operation of our two-party system. But certainly if the next President is to exert the leadership on which the salvation of the free world depends, he will need the broadest possible bipartisan support in Congress and might have to run the country with a bipartisan Cabinet. Indeed, it may be added that regardless of the services any candidate might have rendered the nation, no one who cannot command this broad, bipartisan support can be the President the country needs." (January 8, 1952)

"Recently, an Eisenhower-for-President rally was held at Madison Square Garden—the first of a series of televised meetings, it was announced, to be

held all over the nation. It turned out to be a rather clumsy experiment in mass hypnosis.

"We may be incorrigibly naive—*The Reporter* too has plainly said it likes Ike—but we think that such rallies, where the gravy of showmanship is offered to the public unaccompanied by any meat, can do Ike considerable harm. Much greater harm, in fact, than if the leaders of the movement had come out and said that, liking Ike as they do, they cannot stand the junior Senator from Wisconsin." (March 4, 1952)

"One of the most astonishing things about the China Lobby is that, as far as one can find out, it has no leaders, only mouth-pieces. Yet they have been strong enough to cramp our national leadership. From now till election, can our nation get all the poison it has absorbed out if its system?

"The answer is, of course, up to the people. But the men who have advanced their claims to leadership must show their mettle well before Election Day. This applies, of course, particularly to Eisenhower. Will he say, when the time comes, that he recognizes subversion when he sees it, Communist or anti-Communist, and will have no truck with the mouthpieces of the China Lobby—even if they happen to be U.S. Senators?" (April 29, 1952)

"Above all, the candidate for the highest office must let his host of advisers remold his public personality. Sometimes the making of a public personality seems to be the unmaking of a man.

"Eisenhower has been the favored candidate of a very large number of Americans—ourselves among them—who, deeply worried by the menace of international Communism these days, did not want to take chances with national security. He was the candidate

of all those who consider a change of Administration something that a continuation of the two-party system requires and who want to have the present foreign policy of the nation energized, not wrecked. Finally, Eisenhower was the man who represented better than anyone else the militant faith in that interlocking system of alliances on which the cause of peace depends.

"All this means that we, as well as many other people who have confidence in Eisenhower, have been rather startled by some of his recent declarations. We cannot understand that \$40-billion business, or some of the things he said about his relationship with his late commander in chief. Unquestionably he is having an exceptionally hard time. But we have not yet heard from him anything carrying that fullness of conviction, that sense of responsibility toward the free world that gave such impact to his London speech a year ago. Of course he is still the same man, but the more we see and hear him, the more we feel that we have lost touch with him." (July 8, 1952)

"What made Stevenson was the way he spoke the few times he put in public appearances while he was shunning nomination. Now the people know his voice and his face—but they don't yet know the man. His antagonist is the most well-known and well-loved man in the country. But the trouble with Eisenhower the candidate, so far, is that whenever his voice is heard the image that the people have of him becomes somewhat blurred." (August 19, 1952)

WE HAVE NOW reached the conclusion that Adlai Stevenson, not Dwight Eisenhower, is the candidate *The Reporter* must support.

—MAX ASCOLI

(To be continued)

# The Changing of the Guard in Washington

WILLIAM H. HESSLER

OUR EYES are focused on two personalities and two parties, and our minds are absorbed in the choice they offer. But responsible public servants in the great administrative machine at Washington have a different worry—one the electorate might well share. This is the unprecedented task of transferring a massive governmental operation to a whole set of new leaders without a dangerous break in continuity of policy or administrative efficiency. It is a completely new problem. For whether it's Ike or Adlai who gets the voters' nod in November, we are going to have a complete change of high-echelon personnel in the departments and agencies. It will be the first such changing of the guard since 1933, the first since big government came to America.

## 1933 and 1953

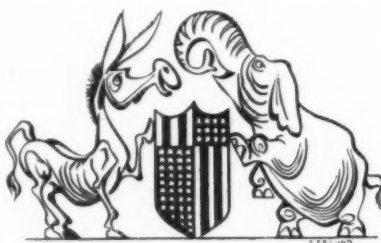
In January, 1933, the Federal Government had 630,000 civilian employees. In mid-1952, it had 2,419,000. In the fiscal year 1933, it spent \$4,630,000,000. For fiscal 1953, the Federal budget is \$85.4 billion. The armed forces budget alone is currently fourteen times the total budget of nineteen years ago. That will suggest the dimensions of the change in our governmental operation.

In respect to our government's world responsibility, the change is no less profound. In 1933, the United States was a major power, but one disposed to let the chancelleries of Europe call the tunes around the world and also take the full brunt of any aggression. In 1952, the United States gives or lends to scores of governments on all the continents. It makes or breaks Cabinets all over the world by giving or withholding support.

All this imposes on the United States a desperate need—unique in

our national history—for continuity of policy and of administration despite our great quadrennial convulsion. The task is made harder by our peculiar constitutional tradition. In Great Britain, it is just five weeks from the Queen's approval of new parliamentary elections until a campaign is finished, elections are conducted, and a new ministry is installed. And that is fairly typical of other democratic nations.

But in America, we start in January of each leap year with scattered primaries and proceed busily through nominating Conventions and the campaign itself to the climactic election, ten months later, in November. And then we wait ten or eleven weeks more before inaugurating the new Administration. The process consumes a full year. Inevitably, it is a year in which every major act of government is made with a nervous eye on the future. By the same logic, it is a year in which un-



friendly governments are alert to the chance of catching us off balance. It is a year of vulnerability, ordained by our unique political institutions and customs.

For several reasons, the problem is intensified in 1952. The governmental machine is now so big that nobody understands it entirely. The central role of the American government in world politics is new in our history and

in that of the world. And for the first time since big government and world leadership came to Washington, we have an election in which the incumbent President is not a candidate. We have, therefore, the certainty, not merely the possibility as in five past elections, of a complete change.

## Two New Brooms

If General Eisenhower wins, he will be obliged to wipe the slate clean and replace virtually all policymaking officials, even including some civil servants. And in some departments that have been under G.O.P. fire, he will have to go deeper and make more changes. If Governor Stevenson wins in November, the changes may be somewhat less drastic. But having clearly separated himself from the Truman Administration to prove that he will give the people the change they want, he is certain to make far-reaching changes of personnel once he is in office. Up to now, Stevenson has been much more self-assured and venturesome than Eisenhower in recruiting people of his own choice. He may do the same in the Presidency, and make an even cleaner sweep. Apparently neither nominee contemplates any drastic changes in policy, as distinguished from personnel and methods.

There are several subproblems here. The most immediate of them is the need for liaison among Messrs. Truman, Stevenson, and Eisenhower, especially in respect to foreign policy. This is required by the delicacy of our relations with the Middle East, with Russia on the German problem, with our NATO partners, and with Red China on the truce negotiations. Liaison is essential both to enable Mr. Truman to act with some assurance that his successor is at least familiar



enough with what he is doing to follow through and to prevent either Stevenson or Eisenhower from saying things in the campaign that would exacerbate the strains of our current diplomacy.

This problem seemed to be in hand, thanks to the good sense and patriotism of all three key figures, when the campaign opened. Governor Stevenson found it practical to go to Washington for a briefing in foreign and military affairs, and he has since been kept in close touch with diplomatic developments. General Eisenhower, with equally good reasons and motives, declined the offer of a briefing, but welcomed the weekly intelligence summaries and said he stood ready to go to the White House if a really grave crisis should require it.

Logically, this ought to insure that no applecarts will be upset, for we have two nominees who sense the delicacy and urgency of pending foreign negotiations and who agree on the basic contours of our foreign policy. Yet when the campaign opened in earnest, General Eisenhower offered himself as a sounding board for John Foster Dulles and his staggeringly naïve roll-back-the-Iron-Curtain project.

This is a scheme that means war if it means anything at all. Unless pulled up short, Mr. Dulles' hobby horse will upset the most important applecarts we have on wheels today, for it tends to shatter the faith of a dozen European allies in the probity and sanity of American foreign policy. It threatens the trust and confidence built up by the General in a year of patient missionary work among the peoples of Europe. To the extent that it registers overseas, it will undermine the basic diplomatic effort of the American government in the months ahead. In 1940, when the world situation was equally tense, Wendell Willkie made no such move to capitalize on a crisis that was bigger than party interest. This is the acid test of General Eisenhower's statesmanship, of his capacity to rise above the petty vote-getting schemes his counselors are thrusting on him.

After November 4, the problem of liaison will remain, but in a slightly changed form. From that day until January 20, the President, whose power and responsibility in foreign policy will not have been legally diminished,

will have, nevertheless, a great obligation to work closely with the President-elect, whoever he may be. Mr. Truman will be obligated to keep his successor informed, to consult with him, and indeed to be strongly influenced by the next President's ideas and plans.

But there still remains the important problem of maintaining continuity of foreign policy after the formal change in January. In this work the newcomers will be helped immensely by an agency which did not exist during any previous change of Administrations—the National Security Council.

### **An Anchor to Windward**

The NSC was set up in 1947 to insure close co-ordination of foreign policy and military policy, and to integrate all the many governmental agencies having to do with the nation's external and internal security. It includes the President, the Secretaries of State, Defense, and Treasury, and the Chairman of the Joint Chiefs of Staff. All of them, with the possible exception of General Omar Bradley, will be replaced on January 20.

But under the Council itself are the small secretariat, headed by the efficient and self-effacing James S. Lay, Jr., and the senior staff, consisting of career men designated by the members of the Council as their deputies. Thus in the senior staff, the State Department is represented by Charles E. Bohlen, the Defense Department by Frank C. Nash, and the Joint Chiefs by Rear Admiral Edmund T. Wooldrige, and so on. Probably not all of these men will be replaced immediately

after January 20. They are an anchor to windward in the storm of high-level personnel changes that may be expected early in 1953.

Over the years the NSC has prepared a series of basic policy papers which do not deal with immediate or specific problems, but define long-term policies and programs in foreign policy, defense policy, military strategy, and related fields. Together, these papers constitute a compact exposition of the national interest for the guidance of future policymakers. In addition, a reporting unit in the NSC now maintains a current tally of just where the nation stands in respect to all security programs—how much it has achieved, how far it has still to go. This will be of unique value to the incoming Administration, no matter who heads it. No past President ever had as many facilities for learning a complex job as the next President will have, thanks largely, in this instance, to the foresight of the late James Forrestal.

In the more limited field of military policy and strategy, the Joint Chiefs of Staff helps to ensure continuity. Its members serve for stipulated, overlapping terms. It has its own small secretariat of permanent officials.

Inside the State Department, there is the Policy Planning Staff, a small group free of operational duties or responsibilities, with nothing to do but read, consult, discuss, think, and plan in long-range terms, borrowing freely from countless other government officials and agencies.

### **Silver Lining**

On Capitol Hill, where the party spirit flowers so profusely in all weathers, one might suppose that the changing of the guard would work appalling chaos. But this is not so. The basic work of Congress is done in a few key committees and more especially in their spawn of subcommittees. Each of these groups includes members of both major parties. The seniority system does not always bring the brightest or ablest men to chairmanships, but it does ensure that chairmen are ripe in experience. If the tide turns in 1952, as it did briefly in 1946, there are experienced Republicans to take over—familiar with problems and procedures. It is a rare exception (John Foster Dulles might be an example) when a Secretary of State comes to office after a change of



party with actual experience of working at the side of his predecessor.

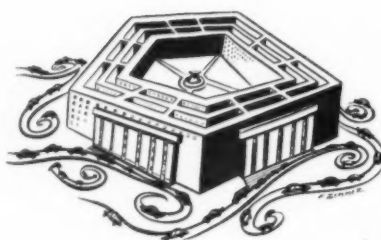
With all these safeguards, continuity of policymaking would seem to be reasonably well assured, if only Mr. Dulles does not push his candidate into a provocative policy which will produce distrust among allies and goad the Soviet Union into angry reprisal. Ironically, the man who may be our next President could undo the patient confidence built up over many months by diplomacy, including his own skillful efforts in Europe. But at any rate continuity *can* be assured if the outgoing and incoming Chief Executives both want to assure it and if they act positively to bridge the gap. Given the will to maintain liaison, there need be no period of partial paralysis to give the Soviet Union a golden opportunity. We may be certain that the men in the Kremlin know enough about the interval of impotence in American politics to realize that a Presidential election year could give them the chance of a lifetime.

In 1932 and 1933, when the crisis was domestic and economic, liaison between Hoover and Roosevelt was almost nonexistent. The national interest suffered accordingly. Unless the campaign produces far more bitterness in its final weeks than now appears to be in prospect, the paralysis that seized the nation from November, 1932, to March, 1933, is not going to be repeated this time in the still more dangerous area of foreign policy.

### On-the-Job Training

Nevertheless, there remain some other formidable problems of transition. One is to achieve continuity of administration in the world's biggest administrative machine. Only the citizen who has tramped from one corner of the Pentagon to another and who has thumbed the Government Organization Manual with some imagination can even guess at the immensity of this bureaucracy. It takes a normally intelligent person months to get the feel of a job in this great mechanism if he is above the clerical level. If an Assistant Secretary of Commerce is fairly bright and works hard, he may be worth his salary after about six months.

Nobody knows how far the turnover of high-level personnel will go. The Presidential candidates themselves have more urgent matters on



their minds just now. But whether it's Ike or Adlai, virtually all noncareer policymaking posts will be vacated and refilled.

The greatest personnel changes will probably take place in the more or less temporary agencies—Defense Production, Economic Stabilization, etc. Here there are many individuals, often serving at personal sacrifice, who are in government only because they are persuaded that there's an urgent job to be done. They want to pull out, especially since their agencies are constantly losing authority and prestige. But they might be induced to stay in a Stevenson Administration for another year. Many of them would not remain in an Eisenhower Administration, even if they happened to like Ike, because the Republican Party generally takes a dim view of their agencies, their jobs, and their usefulness.

In the military departments, personnel changes would be few. In the Navy, for example, the Secretary, Under Secretary, and two Assistant Secretaries would certainly go—along with some of the aides and trouble shooters they have brought in. (One Assistant Secretary has agreed to stay on for eight months or so, to avoid a damaging mass exodus.) The remainder of the naval bureaucracy would stand intact. Among the uniformed officers of the Navy Department, the Chief of Naval Operations and his big staff would carry on regardless of political upset. On the civilian side, all personnel would probably be unaffected up to and including the Administrative Assistant to the Secretary. This official is an urbane, competent civil servant named John Dillon who has been in the Navy Department for thirty years and knows it from stem to stern. He is of the same importance as the Assistant Secretaries and insures continuity of administration. Of course, he could easily be removed in a vindictive housecleaning. But no sane President

is going to penalize himself by firing a man who knows a department so well that he can save his superiors from a thousand costly mistakes.

Each of the other large departments has its five or six top men, political appointees of the President, who will almost certainly go. But each of them also has its counterpart of John Dillon, although he often has a different title. He will stay, as will the career people under him. Despite all the partisan abuses he has allowed to develop in some agencies, President Truman has pushed up the level that permanent civil servants may reach. It is to his lasting credit that he has carried through the process, started under his predecessor, by which the American government now has something like the permanent undersecretaries who really run the governments of Britain and France.

Agriculture and Interior are highly professionalized. Even a determined housecleaning would not touch the bureau chiefs, who are veteran civil servants with great experience and usually great ability. In the Treasury and Justice Departments, where scandal has given an opening, there might be somewhat more of a turnover. And in the State Department, where there is no scandal but where partisan criticism has directed an intensive enfilading fire, the General would probably reach down somewhat farther than the Governor. Yet even that Department is protected by the fact that Dean Acheson has drawn on career men for some key posts that could have been political appointments. So a major shake-up would mean transfers but few dismissals.

### Lovett's Plan

The Department of Defense, the newest of our major administrative entities, has been nonpartisan for the most part—a tradition that Secretary Robert A. Lovett has enforced with the utmost scruple. Yet the Defense Department remains a central problem in any changing of the guard, because the defense budget is roughly \$50 billion these days—well over half the total. When the Department was established after the Second World War, it was meant to be a small agency to co-ordinate the three military departments, just as the Joint Chiefs of Staff does in war plans and operations. But

it has grown into a massive agency for administration of the whole military establishment. It deals with a program and budget of unimaginable complexity.

In this light, it is not surprising that a few weeks ago Secretary Lovett publicly invited the successful candidate for President to designate his Secretary of Defense, or Deputy, or Comptroller as soon as possible after the election. His idea was that the agent of the President-elect should move into the Pentagon, be cleared for security, and sit as an observer until January 20, simply to learn the business.

Secretary Lovett, a first-rate public servant who spends his \$50 billion a year with more discernment and soul searching than the public knows, means to retire when the Truman Administration ends. And he is rightfully apprehensive as he thinks of turning over this huge spending machine to a relief crew—able men, no doubt, but new to the awesome intricacies of our military machine.

With rare exceptions, important Republicans have not held Federal administrative office since 1933. There is a vast reservoir of Democrats—some idealistic and competent, some mercenary and indolent—who have been in and out of a dozen Federal services. Varying in ability, they at least know their way around in the labyrinth created during the last twenty years. General Eisenhower will have no such pool of bureaucratic skills to reach into. Those Republicans who have seen the working of big government would probably be edged out or denied major posts if Eisenhower were to win, on the theory that they have been tainted by too long association with New Deal colleagues.

### **Fiscal Continuity**

The biggest problem of all, whichever party wins, will be the budget. For budget making is a prolonged process, and the budget reflects the intentions and policies of the Administration that makes it. It is not a mere compilation of figures which can be raised or lowered by the twist of a dial as if one were merely turning a television set to another channel. The budget is a detailed blueprint embracing the hopes and fears of the President, his Cabinet, a host of bureau chiefs, and a multitude of lesser folk. It is a contour map of

almost limitless detail, charting the activities of two and one half million civilian employees and four million men in uniform and the myriad operations flowing from an \$85-billion annual outlay. It is above all a measure of the objectives of those who fashion it, a measure, among other things, of the Western struggle to gird against the Soviet menace, because most of the



money going into that struggle, wherever spent, comes from the American budget, or is raised to match sums from the American budget.

This budget for fiscal 1954 starting next July 1 has to be made by the Truman Administration on its own responsibility. Inescapably it becomes the budget of the new Administration. It takes a year to put a budget together, and it would take months to pull it apart and then put it together again in a basically different pattern. By law, the budget must be submitted to Congress fifteen days after it convenes on January 3. This massive document, which takes three weeks to print with proofreading and corrections, has to be "frozen" in mid-December, with no further changes admissible. That leaves about five weeks from Election Day until the closing date of the budget.

Can this 1954 budget be made to reflect the policies and ideas—the hopes and fears—of the incoming Chief Executive? In a limited degree it can, if the President-elect will designate his future Budget Director or similar official at once after November 4, and if President Truman authorizes his present Budget Director to incorporate the incoming President's ideas. But even with such an arrangement, there are two serious obstacles. First, the new budget is already largely written. In the departments and independent agencies, thousands of men have already worked out schedules for their units. Department heads have already reviewed these and prepared their consolidated

estimates. It would be virtually impossible to go back over this process, and changes at the top level would be dangerous guesswork.

The second objection is equally serious. This budget slated to reach the new Congress by January 18 is Harry S. Truman's budget, no matter what the next Congress may do to it later. It is his exclusive responsibility under law. He cannot evade that responsibility by saying he was guided by the wishes of his successor. And to complicate matters, a budget includes funds for proposed new legislation—for Universal Military Training, "socialized medicine," or anything else the President is recommending that costs money. In this restricted area of proposed legislation, Mr. Truman might be more willing to defer to his successor. And then again he might not.

The plain truth of the matter is that the new President, Eisenhower or Stevenson, and the new Congress, Republican or Democratic, is going to have a Truman budget. They'll change it somewhat. But they will not be able to take it apart and refashion it fundamentally, without risking either catastrophic blunders or intolerable delay. The bulky, oppressive, unreadable document that spells out another year of American government, that defines the philosophy of the nation's political leadership in terms of dollars, is itself a guarantee of substantial continuity—simply because it is too complicated to change in the first year of a new Administration.

### **Learning the Ropes**

Throughout the whole government, the most useful and hopeful device for making the transition smooth and efficient is the early designation of various key men—department heads, undersecretaries, or comptrollers—who can move in as consultants and observers, chiefly to learn the ropes. This could be done without friction because of the fact that nearly all policymaking officials now on the job want to leave a clean house when they go and therefore will welcome and co-operate fully with their successors. There is also the fact that the President and both of his possible successors are capable of understanding the immense gravity of this process of changing the guard in the biggest and most important government on earth.



# Cabot Lodge's Toughest Fight

RALPH M. BLAGDEN

**D**URING his fourteen years of service in the United States Senate, Henry Cabot Lodge, Jr., of Massachusetts has acquired a reputation for sending callers away happy. When I first met him in his Senate office a year ago, he scrambled from behind his desk to pull up a chair for me and generally made me feel that my business was also his own acute concern. In contrast, his fellow Bostonian, Representative John F. Kennedy, despite the fact that he likes to be called "Jack," has a reputation for putting as much furniture as he can between himself and a visitor and for treating callers with courtesy but with little warmth or animation.

It is hard to say which man represents a greater triumph of environment over heredity. The high-born Lodge, at least in days past, possessed the manner, affability, and magnetism that Bay Staters have come to associate with the successful Irish Democratic politician. It has fallen to the lot of the Irish Democrat, Kennedy, to represent the low-key standoffishness usually ascribed to the Beacon Hill Republican. These two now face each other in one of the nation's major Senatorial contests: Lodge, tall, self-assured, vigorous, and mature; Kennedy, also tall, but frail-looking, and genteelly rumped.

## 'What's Happened to Lodge?'

When I visited Lodge a few weeks ago at Boston's Parker House I noticed a considerable change in him. He remained behind his desk, and hurried the interview along as discreetly as he could. A visitor who had preceded me had been brushed off in five minutes, and asked me as he emerged, "What's happened to Lodge?"

The answer is that Lodge is worried, although he told me he had "never had it so easy." Lodge is in a fight that has

made the wisest politicians in the Bay State reluctant to predict the outcome.

Lodge is a national figure threatened by a comparative unknown. He is the man who more than any other Republican inherited the mantle of the late Arthur Vandenberg as leader of his party's internationalist faction. He is the man who managed Dwight D. Eisenhower's successful nomination campaign and became the lightning rod that drew the wrath of the frustrated Taftians. Having contributed as much as any man to his party's Presidential nominee, he faces, despite this fact or because of it, the hazard of possible defeat.

The man who threatens him has never carried any group of voters other than those in the Eleventh District around Boston—a largely Irish-Catholic area, taking in Cambridge, Somerville, and four wards in Boston.

Behind each man stands an ancestral figure. Behind Lodge is his grandfather, the first Henry Cabot Lodge, the most willful of "the little band of willful men," who balked Woodrow Wilson's

dream of the League of Nations. Cabot the First was isolationist, imperialist, and militaristic, a man who believed that people like the Malaysians would never be fit for democracy.

Behind the thirty-five-year-old Kennedy stands his father, Joseph P. Kennedy, former Ambassador to Great Britain, multimillionaire businessman, philanthropist, and unreconstructed isolationist.

When the present Lodge went to the Senate in 1937 as an avowed isolationist, one national magazine predicted his career would parallel his grandfather's. But Lodge has defied the ancestral shadow and today has renounced all that his grandfather represented, except the keen interest in military strength.

The situation is not quite the same in the case of young Kennedy. The elder Kennedy is very much alive. From the State House on Beacon Hill to the ramshackle City Hall on School Street in Boston I heard reports of the former Ambassador's meetings at the Ritz-Carlton with the political powers of Massachusetts Democracy. Lodge told me that Joe Kennedy was in fact his son's campaign manager, and I picked up the former Ambassador's tracks everywhere I went.

## Unexpected Internationalist

Lodge has evolved after fourteen years in the Senate into a national leader probably second to none in his grasp of the central fact that we must have allies in today's world. Proof of this is his support of the Truman Doctrine, the Marshall Plan, the North Atlantic Treaty, and the dispatch of troops to Europe, his dominant role on the Senate Foreign Relations Committee, his appointment as Republican delegate to the United Nations, his campaign





for a large Air Force, and his costly fight against Taft at Chicago.

Lodge entered the Senate after defeating Boston's most famous contemporary Irish politician, James M. Curley, by 142,000 votes in a year when Roosevelt carried the State by 174,000. To win that victory Lodge conducted a Kefauver-like handshaking campaign from the Berkshires to his estate in Beverly, while Curley derided him as "Little Boy Blue" and "my puny opponent." In 1942 Lodge defeated Joseph Casey of recent tanker-deal fame. After resigning from the Senate in 1944 for his second tour of combat service, Lodge returned to defeat the aging isolationist, former Senator David I. Walsh.

Now, at the peak of his power, prominence, and experience, Lodge finds himself in a predicament best summed up by the reported statement of Sherman Adams, Eisenhower's chief strategist: "Cabot is in trouble."

For the first time in Lodge's Senate career, the people of Massachusetts do not have a choice between Lodge and what many consider an undesirable. It is not a choice between Lodge and a Curley or Casey or a Walsh. It is rather a choice between Lodge and a clean, reputable young man who has supported Federal housing, opposed the South's filibusters against FEPC, and has risked political reprisals when he refused to sign a petition for Curley's release from the penitentiary.

## Two Harvard Boys

To a remarkable degree the personal qualifications of the two candidates parallel each other. Both attended Harvard. Both appeal to the woman voter, Lodge because of his masculine good looks and his man-of-the-world suavity, Kennedy because of his boyish, well-bred emaciation.

Both have excellent war records. In 1944 Lodge sacrificed eight years of seniority and left behind his wife and two sons to go to Italy, returning with a decoration for bravery. Kennedy commanded a PT squadron, and when his boat was cut in half by a Jap destroyer off the Solomon Islands, he rescued his engineer, earning a citation and a decoration.

Has Jack Kennedy overcome the paternal stigma of isolationism? His supporters say Yes. In his father's New York office one of the close associates



of the family assured me that young Jack had always done his own thinking. In a House speech Kennedy once said:

"Our proposed assistance to Greece and Turkey . . . is not turning a page to a new chapter in American foreign policy. Our foreign policy is the same as it has always been from the day that the discerning Monroe first enunciated the principles of the Monroe Doctrine. It merely means that time and space have brought a new interpretation to that historic document."

Those were not the words of a man whose struggle with political reality has been hobbled by isolationism.

Yet only last year in the House he said, "I think this program of rearmament of Western Europe as we are now doing it is the best way to bring on a world war with Russia." And in 1951, after visiting the Near East and Europe, Kennedy returned to propose cutting economic aid to the Near East from \$175 million to \$140 million. During this period he also voted for a \$350 million cut in European aid, because he had become convinced that our European Allies were not doing their best. Subsequently Kennedy reverted to general support of Administration assistance measures. He told me with a rather sour grimace that we are now so deeply extended in Europe that we might as well continue our present policy. British and French colonialism worry Kennedy considerably.

Yet his vigorous support of Franco's Spain raises the question of whether he is concerned so much about the enslaved as over the identity of the enslaver.

Somehow such retreats and advances, such reservations and contradictions suggest that Kennedy has not yet achieved very solid convictions. Is he a parvenu in world thinking who will find sure footing, or will he develop into a "reservationist," whose reservations could represent the margin of failure?

To the blunt query of what he thought he could do in the Senate that Lodge could not do as well or better, Kennedy replied simply that he could, at least, help a Democratic President organize the Senate. Unless the issue is really foreign policy, one is forced to the conclusion that the basic motive for Kennedy's entry is personal and family ambition.

## The Irish Vote

Kennedy threatens one of Lodge's chief political assets—his ability to cut into the Democratic vote in Boston's South End, Worcester, and Fall River. The name Lodge has evoked pleasant responses among many of the Irish since the days when grandfather Cabot found thousands of jobs for immigrants in local factories and utilities. Lodge's support of the Truman appointment to the Vatican typified him as one of the

few Massachusetts Republicans who has broken with his party's policy of inbreeding itself out of existence. The Senator has also been alert to cultivate the rising Italian vote. Only this year he supported a reform in the State primary system to give the Republican state ticket a transfusion of non-Yankee names. This year Lodge desperately needs to hold his Democratic following.

Not since Calvin Coolidge carried the state in 1924 has Massachusetts gone Republican in a national election. Democratic Governor Paul Dever has held office since 1948. The State House of Representatives is Democratic by a majority of 124 to 114, and the Republicans have only a four-member margin in the State Senate. They have an edge of two in the Massachusetts delegation in Washington, but only because in their more successful days they gerrymandered the state to their advantage. A shift of four votes in the state legislature will put the Democrats in a position to rig the voting districts to their benefit. Dever, who will be remembered as the keynoter with the shortest breath and longest wind of many Conventions, has promoted a \$600-million highway-construction program, and these dollars, with all the patronage they can buy, have driven a wedge through Republican party regularity in the state.

Some of the principal newspapers are so blatantly partisan that their support of Lodge is likely to be automatically discounted. When the Massachusetts vote is heavy, the Democrats benefit, and the early-starting Kennedy workers have built up the registration rolls in the right places.

Against such realities, the Lodge-Kennedy contest is more than a battle between two men; it is also a test of whether Massachusetts is in danger of becoming a one-party state.

### The Retroactive 'Of Course'

Lodge is a man whom it is easy for many to dislike. Although he almost invariably votes right on foreign policy, he forever seems to be running back to Massachusetts to apologize to the diehards for doing so. At a local Republican gathering he described the Administration's foreign policy as "bankrupt." He seems to have an irritating genius for the retroactive "of course." He told me that "of course" the Korean war had been bungled, and that we



should train and equip the South Koreans to do the fighting. Somehow he managed to convey the impression that such a program had been one of his constant crusades, an impression the record does not seem to sustain.

When he served on the Tydings committee, Lodge refrained from supporting Senator Joe McCarthy; he urged a sensible course, never acted upon, of an impartial continuing investigatory committee. Yet he joined with the extremists in crying "white-wash" against Tydings.

For all Lodge's ambivalence of speech and action, even a Kennedy lieutenant was forced to admit to me that he thought Lodge had one of the best records of any Senator.

### Isolationist Guerrillas

While there will be no open attack upon Lodge's foreign-policy record, the present threat to the Senator does in fact represent the consolidation of the remnants of isolationism and their concentration against one of the nation's leading internationalists. Dominating the anti-Lodge alliance are the elder Kennedy, the irreconcilable Taft people, and even some out-of-state isolationist forces.

Workers in the Kennedy camp play down the role of the elder Kennedy, but there is much evidence that the former Ambassador's part is a big one. Several months ago, Ralph Coghlan, former chief editorial writer of the *St. Louis Post-Dispatch*, came to Boston. "I have been asked to come to Massachusetts by Joe Kennedy," he told me at the time, "to help Jack in his fight against Lodge." Coghlan, while on

the *Post-Dispatch*, persevered in his isolationist editorial position right up to the eve of war.

Almost as soon as the Republican Convention was over, the room in Boston's Sheraton Plaza that had been the headquarters of the Taft forces during the Massachusetts primary campaign became the headquarters of a new organization called "Independents for Kennedy." Its director was a corpulent retired wholesaler named T. Walter Taylor, who had been a lieutenant in the Taft movement. When I talked with Taylor he said that the organization had been established to provide the Bay State supporters of Senator Taft with a place to go. He pretended to see no incongruity in a movement that called upon the devotees of "Mr. Republican" to transfer their allegiance to a New Deal-Fair Deal Democrat like Jack Kennedy. Taylor denied with vehement piety that the organization was aimed against Senator Lodge or that it had any financial support except from its prospective members. In my pocket at the time of the interview there was a letter addressed to a Taft worker from Taylor. The letter reads in part as follows:

"The following information is sent to you that you may know first-hand what we are doing and why. You, being a delegate for Senator Taft, I feel sure will be interested to know that something is being done to assure Senator Lodge's defeat.

"After what he did to Senator Taft, we feel that he has forfeited all rights to expect right-thinking people to support him this fall in returning to office.

"Ambassador Kennedy, who by the way is a very close friend of Senator Taft's, has supported the Senator during the Campaign and has spent a large amount of time with the Senator during his Campaign, requested me to open and direct a headquarters for his son whom you know is seeking election to the Senate.

"Our work is to reach the Independents and Taft people in behalf [of Kennedy] so we have opened the Headquarters for Kennedy Independents in the Sheraton Plaza Hotel, in Parlor B, and are very happy at the privilege of bringing the Kennedy message to the people. . . .

"(Signed) T. Walter Taylor  
Massachusetts Director  
Independents for Kennedy"

If Senator Taft comes to Massachusetts to speak, he will undoubtedly call for the election of the whole Republican ticket. Most of the dissident Republicans will avoid any open alliance with Congressman Kennedy. The Republicans who vote for Kennedy or simply scratch the name of Senator Lodge on their ballots will not admit that their course of action is dictated by vengeance.

But they will certainly go on questioning the purity of Lodge's Republicanism and pointing to the fact that in the last two years forty-four per cent of Lodge's votes have been against those of the Senate Republican majority.

Colonel McCormick's Chicago *Tribune* has endorsed Kennedy as acceptable to the Colonel's American Party, and another of the multiple third parties, the Constitution Party, whose spokesman is Upton Close, and which has endorsed General Douglas Mac-

Arthur for the Presidency, has also endorsed Kennedy. Close's group describes itself as opposed to the "international conspirators."

### Can Ike Pull Him Out?

Lodge is starting the campaign with the same concede-nothing manner that distinguished his Chicago fight for Eisenhower. He will not admit that Kennedy has been a good Representative.

Above all Kennedy may be assailed on his record of absenteeism, which in the last session of Congress was the worst of any of the fourteen-man Massachusetts delegation's. Indeed, Kennedy's on-the-record percentage for the entire Eighty-second Congress was fifty-seven, placing him among the bottom four members in the whole chamber.

It is difficult to see how Lodge deserves retirement from the Senate. Massachusetts and the nation have a

fourteen-year investment in his career. He has developed steadily toward maximum usefulness. His position on world problems is firm and predictable. He has acquired key positions in policy making; he has six years of seniority. He is a bridge between the parties in the construction of responsible and continuing foreign policy when national safety may depend upon such a bridge. His domestic record is moderate and modern. It is highly questionable what could be gained by substituting a Freshman Democratic Senator for Lodge.

Yet basic changes in the Bay State's political pattern, coupled with Kennedy's popularity and Republican factional vengefulness, threaten Lodge so much that the final outcome may hinge upon whether Eisenhower can do as much for Lodge among the voters of Massachusetts as Lodge did for the General among the delegates at Chicago.

## Are Liberals Obsolete?

JOSEPH C. HARSCH

THE AMERICAN Liberal of the New Deal-Fair Deal era is in trouble. For the first time in twenty-five years he has ceased to be the intellectual driving force in the majority political party. The Democrats put him aside at Chicago just as firmly as the Republicans put aside his archenemy, Colonel Robert R. McCormick of the Chicago *Tribune*. The two old foes have one thing in common: Both have lost their familiar political vehicles and both must make new alignments to regain their political effectiveness.

The Liberal's plight is more distressing than the Colonel's, for although both have been shelved by their old political associates, the Colonel has all his familiar purposes still bright and unachieved before him. He wants a nationalist America, free from what he calls "foreign entanglements," with

low taxes for the rich and an end to social security for the poor. The present set of American political life is so firm in a contrary direction that the Colonel's purposes are not likely to be reached in the near or even the remote future. Thus the Colonel can still heed the call to Armageddon. His only problem is how to reorganize his campaign and build a new political vehicle for his purposes. He may be frustrated by a lack of perceptible progress toward his goals, but he is unlikely ever to be exposed to the deeper frustrations of the man who has already achieved them.

The Liberal may well fall victim to that deeper frustration. He was set aside at Chicago not because his ideas were unacceptable but rather because they have been so generally accepted that his missionary zeal is like a log fire in the age of steam heat. It has a

nostalgic charm, but for the moment at least it is redundant. To a substantial extent, he has worked himself out of a job.

### The New Deal Cohorts

Actually the man who provided the motive power for the New and Fair Deals has not always been truly liberal. He was a reformer rather than a liberal and a reformer with a particular purpose. He was the product of the depression. His main work was not in the realm of ethics, morals, and justice nearly so much as in the realm of political economics. His goal was to revamp the economic pattern of America so that there would never again be another Great Depression. The pain and anguish of the depression drew such men from local crusades to the national arena, where they banded to-



gether in the single crusade for a depression-proof United States of America. "Economic planners" is a more accurate label for them than "Liberals." No one can say that these Liberals have totally achieved their purpose. No great social purpose is ever totally achieved, and the proof of their achievement lies in the future. The Liberals may or may not have found the answer to the problem of sustained mass employment in the most rapidly expanding economy of modern times. Still, in the primary sense they have achieved their purpose. They have persuaded a majority of the American voters, and both of the major American political parties, that the prevention of mass unemployment and great depressions is a responsibility of the national government.

Not all New Dealers and Fair Dealers are aware of this achievement. They look at the subsidiary goals that have not been wholly, or sometimes even partly, achieved. There are still Jim Crow laws in Southern states, and segregation and discrimination in many Northern ones. Economic well-being is precarious for many and still nonexistent for some. No way has yet been found to give organized labor all it wants without raising prices and endangering the level of industrial production. The filibuster is still used as a Southern veto over legislation in Congress. The natural-gas companies, among others, have pushed back the doctrine of Federal price regulation. Tidelands oil is still outside the Federal domain. There is still no Missouri Valley Authority. In brief, the millennium has not yet arrived.

But the Liberal's primary purpose in this generation, his concept of economic security, has been built into the fabric of American political economy. He has seen government and voters accept his theory of the role of government in economic planning. He has reached his main frontier.

#### Antielimax in the Antipodes

This is an old story, the classic examples of which may be seen in Australia and New Zealand. The liberals of those communities began their New Deal before the turn of the century. They broke all opposition quickly and easily. Climate, small population in the midst of agricultural plenty, and the weakness of the local capitalist oligarchies

smoothed their paths. By 1910 they were well on the road toward their goals. By 1939 they had done what they had set out to do, and had worked themselves out of jobs. Their own inability to think of anything excitingly new to tempt the voters led to the inevitable return of conservatives to power—although the new conservatives are radicals by the standards of their fathers. In Britain today the same train of events is in progress. The British political Left has gone about as far as it can go without turning to Communism, although it still faces a challenging problem of how to maintain legislative gains in an overpopulated island insufficient in food and natural resources. However, the British liberal still has a driving incentive and a stimulus. Before he can be done out of a job he must find the means of financing his ambitious form of social security. He campaigns vigorously today against rearmament because the cost of rearmament is the major threat to his program.

The American liberal is in a less happy emotional position. No serious threat to his major achievement exists on the national front. While high taxes cause acute pain to the taxpayer, and while the cost of rearmament produces disturbing elements of inflation, these factors are not sufficient to create serious threats to the present Social Security program. Political America is not going to abandon the welfare state concept because of its cost or because of shortages of raw materials. The defeat of the Taftians at Chicago was a decisive defeat of the counterrevolutionary movement. Men who can't even hold control of the opposition party have no perceptible chance of winning a na-

tional election. The Welfare State advocates may be pained by Colonel McCormick's editorial broadsides, but they cannot be seriously damaged by them. For the time being at least, the welfare state doctrine is politically immune in the United States.

#### Unfinished Business

Does this mean that the liberals are in truth without cause or purpose, and without anything to do?

Quite the contrary. The man whose purpose is something deeper and broader than the launching of new experiments in political economics, the true liberal, has more to do than ever, for in his years of preoccupation with national economic planning he has neglected many a cause on other fronts. What he must do is reconsider his goals. He must rediscover the work that is never finished on the local front. And first of all he must break away from his own new dogmatism.

Any movement tends to become dogmatic. The young liberals who burst on the Washington scene in the early New Deal days were not dogmatists. They came from many different places and had many different mental points of view. Some, like Harold Ickes, were veterans of the battle for conservation of natural resources. Some were university intellectuals and theorists. Some were young machine politicians out of the great cities. Some had been bred in the trade unions. Some were political reformers. Some were rich men, like Edward Stettinius and Averell Harriman, with guilt complexes that they wished to expiate in public service. There was no single organized body of doctrine to guide them. There was no single spiritual leader, not even F.D.R., to bring the Ten Commandments of their gospel down from Sinai. Their internal differences made the early New Deal scene one of fascinating if not always orderly conflict. Franklin Roosevelt picked their brains, selecting and discarding as suited his purpose of the moment. It has generally been forgotten that the original foreign-policy inclination of the New Deal was nationalist and isolationist, and that Roosevelt's scuttling of the London Economic Conference in 1933 was hailed as a healthy move away from Hoover's "internationalism."

But in subsequent years the clamorous disunity of the early New Dealers





gave way gradually to a new dogmatism. A body of accepted doctrine emerged. The word "liberal" as used by the New Dealers about themselves began to take on specific meaning. At first it meant only the search for the answers to the problems of economic depression. Later it came to involve loyalty to the aspirations of organized labor and racial minority groups. In order to qualify as an American Liberal a man had to favor compulsory FEPC, regard Taft-Hartley as completely evil, believe in the total wickedness of Generalissimo Chiang Kai-shek, take his political economics from John Maynard Keynes, and look to Washington for the answers to all problems. The movement became more cohesive. It gave itself organizational form in Americans for Democratic Action. It evolved not only its theology but also its hierarchy of saints and devils. A political movement born of the depression had become a political religion.

### Pragmatic Adlai

The time has come when this formalized religion is no longer regarded as indispensable by the new leader of the Democratic Party. True, that leader has employed on his political staff several bright young men from among the ranks of the Liberals—most prominently Arthur Schlesinger, Jr., and Wilson Wyatt. But these have been particular selections for reasons of particular ability. They do not represent an alliance with the formalized movement. So far as that formal movement is concerned, Adlai Stevenson commits a heresy daily, and sometimes more than one. His first major post-Convention speech (August 14 at the Illinois State Fair) was a massive marshaling of heresies. Stevenson is not conducting a "crusade." He wants to reverse the flow of power to Washington. He is proud of the fact that he has not raised taxes in Illinois. He regards corruption in Washington not as a price to be paid for great reforms but as an evil condition to be recognized openly and attacked vigorously. He seems to believe that there is no more native virtue in leaders of organized labor than in leaders of organized industry. Adlai Stevenson preaches the new pragmatism, although it must be said that in following his pragmatic course, Stevenson has so far kept his own hands firmly on the wheel, whereas General Eisenhower's



course has often given the impression of having been guided each day by a different guest navigator.

But for the self-styled Liberal, the lesson is plain. He is neither wanted nor needed in the posts of leadership and policymaking on the national stage. He is a surplus commodity. But the true liberal, the man whose real task is the mitigation of man's inhumanity to man, never was and never will be surplus, never out of a job. All he needs to do in order to avoid frustration is to appreciate that there are many frontiers for his activities and that having won a victory on the frontier of economic planning, it is high time that he turned his attentions to other neglected frontiers.

### Europe's Fears

The measure of one task before him is to be found in the drastic change which has taken place in overseas folklore about America. Not many years ago—about three, to be precise—our European friends and allies were obsessed by the fear that we would suddenly plunge into a new depression, dragging them down to ruin in the process and leaving the whole world an open oyster for Moscow. Every American journeying across the Atlantic was met by anxious queries about the soundness of the American economy. Our friends could not quite believe that we could manage our own economy, could keep our employment up. They feared waking up any morning to read of bread lines across America.

Perhaps the danger has not in fact been removed, but the fear of such an event has been displaced in the European mind by a new fear, the fear that we Americans have forgotten

liberty in our quest for economic security. This fear has almost reached the pathological stage. The European folklore picture of America is only a caricature, but it exists and is strengthened by enough incidents to keep it alive. Our European friends and allies are desperately afraid that we have allowed intolerance and the compulsion toward mental conformity and uniformity to go unchecked for so long that we may cease to be able to keep the torch of human liberty aloft. Thanks in large measure to the zeal and success of our Liberals, we have made great strides towards freedom from want, but as the European sees us we have slipped dangerously backwards in the struggle for freedom from the fear of deprivation of individual liberty.

### The McCarran Curtain

Here is a vast and important and neglected frontier for the true liberal. It is not enough to say that there is more liberty in America than the European appreciates. There has been a series of episodes which, magnified by transatlantic transmission, has nourished the fears of our friends and helped to build the picture of a nation which is forgetting its pioneer dedication to individual liberty. And who can say that unless the succession of such episodes is checked the abnormal and the exceptional may not become the true reflection of America?

What incidents strengthen this false picture of America? There are the stiff immigration barriers against even our most respectable foreign visitors. There are the personal questions asked of anyone desiring to visit our shores. There is the whole series of exclusions of distinguished European scholars and intellectuals. There are the refusals of visas to American scholars. Americans are aware of the Iron Curtain that Moscow has erected around its domain to cut its people off from cultural contact with the outside world. Many of our friends abroad believe we are building an Iron Curtain of our own, and to their eyes it is not always distinguishable from Moscow's.

At home also we have done things that have tarnished our reputation. There is the recent case, dramatized by the *Saturday Evening Post*, of Robert S. Williams, Jr., of Washington, who was falsely accused of a sex crime and

kept long in jeopardy of his freedom primarily because there is nothing a policeman hates more than to have to admit to a mistake. There is the case of one Carl A. Latva, a Finn who many years ago contributed ninety cents to Communism under the impression that he was helping his labor union, and now is under sentence of deportation. There are the many cases of individual men and women deprived of jobs and economic well-being by public charges against their loyalty or orthodoxy which were never tested in court and which have in several instances been groundless.

The informer, the tattler, the malicious gossip have gained a dangerous ascendancy in our midst. They hurt us at home and abroad. There is a danger that we might drift into rule by informer rather than government by law. Here is a frontier where the true liberal could do valiant battle. Here is a battlefield which has been too long neglected.

#### His Own Backyard

And what about our local communities? Are they all free from local tyranny, exploitation, injustice, and corruption?

To ask the question is to answer it. And just because the New Deal Liberals have written new laws does not mean that their administration and their execution are always fair, are always efficient, are always tempered adequately by mercy, or that the laws themselves cannot be improved.

It is one thing to write new laws; it is quite another to make them function for the greater good of humanity. For twenty years the liberal has been the law-maker. He might advantageously move to the other side for a while and act as a defender of those in trouble with the law.

The immediate task for the progressive American political thinker is not to stake out any more distant frontiers

but to see to the sound building of life within the existing frontiers. The problem is not to devise new forms of social security but to make the existing forms work efficiently and effectively. The present danger to the livelihood of the individual exists not from lack of an accepted sense of governmental responsibility to the whole community but from such a mishandling of our resources as would make the present system unworkable. Waste, corruption, and a new privileged caste could undermine the best work of the New Deal era.

The need on the national front is not for reformers but for administrators and consolidators. The need on the local front is for men who can challenge every tendency to tyranny, injustice, exploitation, and discrimination that undermines both respect for



us abroad and our own heritage of individual freedom.

Some wide adjustments may be necessary in the established political alignments of the Liberals. For more than twenty years in America, liberalism has been equated with the organized labor movement. For a longer period in Victorian England liberalism was equated with untrammelled capitalism. Today the labor movement is as much a vested interest in America as capitalism was in Victorian England. Perhaps organized labor in America is still at a disadvantage against organized business and industry, but if labor is still a proper object for the sympathy of liberals it must also be recognized that eventually organized labor may be just as powerful as the associations of business and industry.

It may very well become bigger,



more powerful, and more likely to create an imbalance of power. It might well become the proper function of the liberal in a few years ahead to side with the employer against the union leader. Some think that time has come. The dogmatist always finds himself dated, sooner or later. But true liberalism is not a dogma, it is a point of view. It is the urge to wage war against injustice, against tyranny, against selfishness, against inhumanity from whatever direction those qualities may come.

#### How Not to Become Obsolete

The dogmatic American Liberal is, on the American political scene today, as much an anachronism as is the peppery Colonel of Chicago. But before the liberal lapses into useless frustration he might well notice that many an American community needs emancipation from bosses of Right, Left, or Center quite as badly as Washington ever needed to be emancipated from "Wall Street" or "the Trusts." The liberal isn't out of a job. He is in some slight danger of so wanting to refight battles already won that he will overlook the new-old battlefields crying for his presence.

He has beaten the big Colonel on the national stage. Let him give attention to the thousands of petty Colonels in state, county, and village.

And let him not forget that our friends in the outside world no longer fear economic depression in America nearly as much as they fear the end of liberty in America.

Liberalism derives from the word "liberty." Let the American Liberal readjust his purposes and his vision so that he re-equates himself with the concept of liberty and he will discover that far from working himself out of a job, he has found himself a bigger and more important one.



# Double Flags and Double Standards in Panama

PETER SCHMID

PANAMA is a city of many faces. A European hurrying through it may be reminded of a Mediterranean port such as Malaga—and not only because of the splendid baroque façades of its churches and the rustling of the leaves which roof its plazas; these exist elsewhere in Latin America without arousing the illusion of Europe. In other places, the chessboard pattern of the streets constantly calls to mind their colonial origin; but in the old parts of Panama the visitor is captivated by the charm of winding alleys that suddenly open on hidden squares, and in general by the magic of the irregular, the improvised, and the unexpected. Yet the city is basically much younger than many of its more drab sisters to the south. It was only after the buccaneer Henry Morgan had destroyed an earlier unprotected settlement in 1671 that the colonists withdrew to this new site on the isthmus, protected by reefs against further raids. The nineteenth century brought the French Panama Canal Company to the city, and with it there came a number of cool and comfortable palaces in the French style. So a European feels at home here at once.

But he need only walk on for a quarter hour to find himself in the midst of an altogether different tropical world. Wooden sheds with huge porches line the streets. Negro children gape curiously through the railings. Through narrow entrances you squeeze your way into dark courtyards where spread-out wash veils your view of the sky. The rooms within are filled with furniture and throngs of human beings. Here

and there a Chinese or Indian face bobs up among the curly black heads; the children show signs of strange racial mixtures. This is the world of that stream of humanity the canal has drawn from all the world.

And then comes a square, in the cen-



ter of which a flagpole towers. The flag of Panama flutters in the wind. This is the border. Here another world begins, that of the Canal Zone. Here the atmosphere is one of painstaking neatness and piety. Houses of prayer range themselves one after another along the broad and well-paved streets. Then the commissaries: All foreigners are barred from access to their duty-free imported goods. A flight of stairs leads up a hill to the majestic headquarters building of the canal administration, over which waves the Stars and Stripes.

If you press on further, huge barracks, parade grounds, and flying fields await you. And finally a bridge takes you across the canal that has transformed Panama from a forgotten Colombian provincial town into one of the world's busiest crossroads.

## Trinational Parasite

Three worlds: the old Spanish Panama, the melting pot of the colored, and that of the North American masters. Three mentalities: the passionate and easily excited sensitivity of the mestizos, the rootlessness and the proletarian indigence of the Negro immigrants, and the soldierly matter-of-factness of the Yankees. How do they all get along together?

Not so well, unfortunately, as might be wished, in view of the importance of Panama. To be sure, the elections of May 10, which, as expected, raised former Chief of Police José Antonio Remón to the Presidency, did not bring with them the bloody disturbances many observers in Panama had feared.





but the tensions which led to the fear of such disturbances are still present.

Panama's basic problem is its almost exclusively parasitic existence. In 1903 the isthmus, under the guns of American warships, declared its independence and the next year concluded a canal treaty with Washington. It had become a nation for the sake of the canal, and it was to draw its subsistence from the canal. It declared itself willing to hand over to the Americans a zone ten miles wide through the fifty-mile breadth of the country, receiving in return \$10 million in cash and an annuity of \$250,000. For the provincial politicians of the beginning of the century, this seemed a real plum. In 1939 the United States declared itself willing to take the devaluation of the dollar into account and to raise the annual payment to \$430,000, but even this, in view of the significance of the canal, is not much more than a pittance.

It goes without saying that the canal in reality brings far more than this to those who dwell in its vicinity. Tourists and commercial travelers patronize Panama's hotels and stores, soldiers and sailors its bars and cabarets.

Instead of furthering the economic development of the country, the canal crippled it. Instead of being usefully invested, the inflowing money immediately left the country again, in payment for imports and still more imports. Those branches of production which had formerly flourished began to wither away. Panama once earned foreign exchange by the export of cattle; today it imports beef. Before the war a Japanese-manned fishing fleet brought great quantities of fish to the city markets; Pearl Harbor put an end to both spies

and genuine fishermen, and Panama now imports canned fish.

Things are no better on land. Wonderful soil lies uncultivated and overgrown in the interior. No one thinks of exploiting it except the United Fruit Company, which has established banana plantations in the coastal districts. European immigrants, lured by the low land prices, eke out a laborious existence because there is no reliable means of transportation to bring their products to the buyers. Why trouble to build roads? The canal is there, the unseverable umbilical cord of the Panamanian economy. Panama suffers from the same sickness apparent in oil-rich Venezuela: Easily earned money, instead of serving as a spur, demoralizes.

### The Lamented Yanquis

"Do you think that war is coming soon?" The merchant who asked me this question did so not with the care-furrowed brow with which such a prospect is regarded elsewhere in the world but with almost joyful anticipation. War means G.I.s throwing dollars around, and it means heavy traffic on the canal. Wartime has always been boomtime in Panama; peace has meant stagnation. Today only five thousand American soldiers occupy the huge barracks of the Canal Zone. Modern methods of war have long since necessitated the pushing forward of defenses to the Caribbean Sea and the Galápagos Islands. "If only we still had the bases we forced the Americans out of in 1949!" lament the Panamanians. But now it is too late. The nationalist demonstrations demanding the evacuation of the American bases had an altogether different motive. The Panamanians

did not really want to drive the Americans out; they simply wanted to extort higher rents from them. When the Americans actually yielded to the "popular will," it was with long faces that the people saw them go.

Today the barkeepers sit like sad spiders in empty webs, and even those ladies who in the imaginations of tourists flit around Panama with the glamour of barbaric courtesans have to content themselves with occasional sailors as victims. Trade stagnates, and since imports continue to flow in and nothing is produced, the specter of bankruptcy looms. There is still time to tackle the country's problems realistically. But amid the general atmosphere of collapse, each politician fills his pockets to the best of his ability, so that when the flood comes to avenge Panama's sins he may survive it in a yacht of his own. And as always when people are faced with a catastrophe brought on by their own guilt and impotence, the search for a scapegoat is on. Panama does not need to look far; the United States offers a shining target for its resentment. The demagogic cry goes up that the United States is guilty of repeated violations of its treaty with the Republic of Panama, which was renewed in 1936.

### Inflammable Perfume

The points of conflict are amazingly insignificant: for example, the question of the commissaries, in which the employees of the Canal Zone can buy goods at lower prices than in the free market. It was quite natural that those who had made careers of exploiting the foreigners should look askance at such competition. Actually, this



matter seems to have been handled rather lackadaisically for a while, so that even outsiders were able to enjoy commissary privileges. In 1936 the U.S. authorities agreed to limit the number of beneficiaries more strictly and to confine the articles sold to necessities and conveniences. But the Americans have interpreted "necessities and conveniences" so broadly that the goods available at reduced prices include not only food, clothing, and household furniture but also such items as radios, jewelry, and perfume. This has enraged the merchants of Panama. In a country whose natural riches are trodden underfoot because no one will stoop to pick them up, a few radios and bottles of perfume have become the subject of newspaper polemics and almost the occasion of diplomatic intervention.

Another Panamanian complaint is more serious. I met a young intellectual who had secured his degree at Harvard and was now seeking a position with the Canal Zone. "The chief of personnel," he said, "thought at first that I was an American citizen and held out the prospect of a post with an excellent salary. But when I told him I was a citizen of Panama, the situation changed at once. The position which he had offered to me was given to a North American competitor, and all that was left for me, although I had the same academic qualifications, was a minor post with an inadequate salary." This, I was told, is the general practice and is in conflict with the agreement of 1936, which gives citizens of Panama equal rights in the canal administration. The Americans justify the policy by citing the alleged lower efficiency of most Panamanian workers.

### Gold vs. Silver Men

Even if Panamanians manage to find jobs with the canal, they are paid less than their colleagues from the United States. At the time of the building of the canal, this discrimination acquired a descriptive terminology that was abandoned only a year ago. The key North American employees were paid in gold, while local silver money was used to pay the Negroes, Chinese, Spaniards, South Slavs, and other workers who were employed in the lower grades. The former were called "gold men," while the latter were "silver men."

This differentiation originated as

simply a technical one in regard to payment, but it resulted in the creation of a genuine caste system. "Gold men" and "silver men" were physically together at their places of work, but socially they were separated by insuperable barriers. Some water fountains had signs GOLD ONLY, and no "silver man" could drink at them. And no "gold man" could dare to visit a club or playing field of the "silver men" without seriously endangering his prestige. The two groups bought in different commissaries, and certain finer and more expensive categories of goods were available only in "gold stores." This distinction had its origin simply as a division between two pay categories, but as it developed into a caste system, the door was opened to the ugly play of racial prejudice. It is not so much a person's duties as his origin which determines his inclusion in the "gold" or "silver" category. For example, the gold rate for a chauffeur is \$1.74 an hour, while the silver rate is only



sixty-seven cents. A "gold" carpenter receives \$2.50 an hour, a "silver" carpenter seventy-two cents, or less than a third as much. A "gold" bookkeeper earns \$3,600 to \$3,800 a year, while his "silver" colleague must content himself with \$1,500.

In addition, American citizens receive a foreign-pay supplement of twenty-five per cent. This system is not always slavishly followed, and some valued employees of local origin do advance to the "gold" class, but they are exceptions to the general rule.

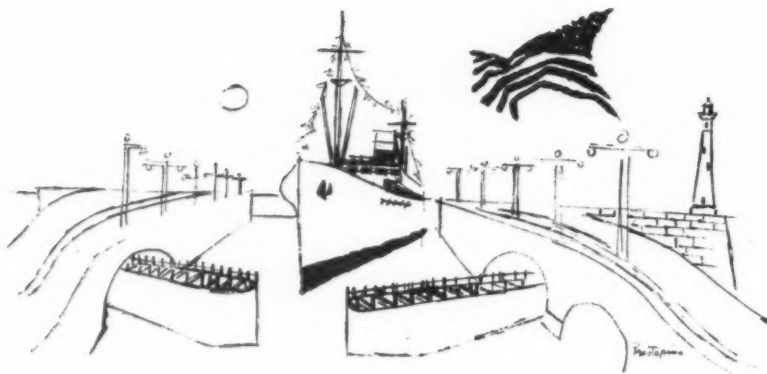
An almost amusing complication

has been supplied by the few Negroes of American origin. As American citizens, they were included in the "gold" category and could lay claim to its privileges. There was one exception: Their children could not attend the "gold" schools. I was told about a colored employee whose children were called for every morning by a white chauffeur and driven to the "silver" school.

### Devalued Drinking Fountains

Opposition to such discrimination has arisen among the Americans themselves. I had the opportunity to talk to Mr. Welsh, the zonal representative of the cio, himself a Negro. Since the end of the war, his union has begun to organize the "silver" personnel. For about a year the "gold" and "silver" signs on water fountains, parks, and commissaries have been gone. To be sure, this does not mean the end of the system, since the corresponding restrictions are not thereby wiped out; the "silver" rate has become the "local" rate, and the "silver" man must now simply memorize the places where he may go and those where he may not. The fact that the caste system is no longer publicly proclaimed may be a first step toward equalization, that is, payment according to work performed, which is what the cio is seeking.

But complete equality between the American and native workers is scarcely likely ever to be achieved, not merely because of the lower output of the latter but also because in order to lure an American from his homeland to the tropics it is necessary to offer him higher pay. The Americans in the Canal Zone are anything but content with their material circumstances. Their cost of living has risen as a result of last year's change in the status of the canal from a government undertaking to a financially autonomous corporation, and Congress has made their hitherto exempt salaries subject to taxation. There is already a perceptible exodus of valuable administrators. On the other hand, it would be absurd to propose paying the local employees salaries four times as great as those customary in Panama. The apparent injustice of the "gold" and "silver" rates is not the product of American ill-will and arrogant conceit, but of the familiar old law of supply and demand. As long as



Panama contents itself with a purely parasitic existence and sends its proletarians to the Canal Zone without itself offering them profitable work at home, its standards of living and of pay will remain low.

It is easy to proclaim the equality of all men in theory, and to oppose colonialism under the banner of the right of peoples to self-determination. But when the citizens of the ruling country actually do have a higher value in terms of training and accomplishment, the colonial situation automatically develops willy-nilly. The attitude of the Panamanians toward the Americans is all the more deeply resentful just because the latter make a well-meaning and friendly attempt to treat them as equals in theory, but in practice simply cannot. The result is the same; a basic tone of hate-filled nationalism, encouraged by an elite which is nevertheless ready to co-operate for opportunistic and selfish motives. Between a Colonel Remón, who is regarded by the Americans as a friend, and an Emperor Bao Dai of Annam, the difference is basically only one of degree.

#### **Arias the Aryan**

There are two political forms by which such a nationalistic inferiority complex finds outlet: fascism and Communism. The former has organized itself in the "Panamanianism" movement, headed by Arnulfo Arias, an admirer and friend of Hitler and Mussolini. Arias is the genial tribune of the people and demagogue, the man who is able to raise up the surge of the masses against the rocks of power. Twice carried into the Presidency, both times he brought about his own downfall through ridiculous adventurism. The second time, in 1951, he

ended up in prison, from which he was only recently released. Deprived of eligibility for public office, he now displays an ambiguous neutrality.

Today he has forsworn his irreconcilable enmity toward the United States which during his 1941 Presidential term drove him perilously close to the Axis. He had attempted to copy the cultural and racial policy of his great German colleague, and in the name of white Hispanidad to finish off the Chinese and the Negroes. To be sure, the racial strain of most white Panamanians themselves is not of the most pure, but far from being an obstacle to racial pride, this heightens it by creating a secret inferiority complex. Moreover, "Hispanidad" takes for its criterion not so much the color of the skin as the culture. In its name Arias first fell upon the Chinese, who dominated small business and whose prosperity made them thoroughly appetizing victims. Arias forced them by decree to sell out, mostly to his friends and at insignificant prices. After this, the credulous victims were expelled from the country. The Chinese today form only a vanishing minority and are for the most part employed as white-collar workers.

Arias's second blow was directed against the Negroes. Panama owes them a great deal. All other races shied away from the heat and diseases of the tropics when it came to digging the canal. Only the Negroes who streamed in from the British colonies in the Antilles, from Jamaica to Barbados, stood the climate and remained as welcome workers even after the canal was opened in 1914. Welcome because their mother tongue was English and there was no problem of communication between them and the

Americans. Welcome also, because in large part they had received from their English colonial masters an excellent training in manual skills. There was no motive for them to Hispanize themselves, since English seemed superior to Spanish both in terms of utility and of prestige. In 1941 Arias directed his denationalization law against this culturally foreign body. This took away from all the Panamaborn children of the West Indian Negroes the citizenship which they had automatically received. But this measure, which left its unfortunate victims stateless and without rights, was not long to survive Arnulfo's overthrow. It is valid today only in the sense that when the Negroes claim citizenship, they must pass an examination in the Spanish language and Panamanian history.

#### **Phantom Reds?**

In American circles in Panama one finds serious concern over Communist influence. But I believe that these fears are exaggerated. An American colleague handed me a whole list of persons who in his opinion were either Communists or sympathizers. I took the trouble to look up a few of these people and discovered that while they probably suffered from a pretty thorough anti-American inferiority complex, there was certainly nothing else to show that their eyes were directed toward Moscow. A couple of them declared themselves to be ardent Catholics.

Actually, only the Federación Sindical de Trabajadores, led by Domingo Barria, can be regarded as a genuinely Communist organization. But this outfit exerts only slight influence: except for the cto the trade-union movement of Panama is in general still in its infancy. Barria also leads a Communist "People's Party," whose negligible significance can be judged from the fact that despite diligent inquiries I sought in vain for its offices.

It is indeed strange that the Red seed does not grow better on such favorable soil, where antagonism toward the United States is coupled with internal social injustice. But one sees elsewhere in Latin America this phenomenon of an emotional defiance which often calls itself "Communist" but which is not in fact a deep-rooted political conviction.



# Sweden: Socialism Without Tears

GEORGE SOLOVEYCHIK

**A**LL THE TALK about "twenty years of creeping socialism" that now fills the campaign air in the United States makes this a particularly worthwhile time to examine the recent history of a European nation that has undergone twenty years of *real* socialism—if that term means rule by an avowed and self-styled Socialist Party. That country is Sweden. Except for a three-month interval in 1936, its Socialist Party has been in power continuously since 1933—as a minority Government, as a homogeneous majority Government, as principal partner in a national coalition during the war, and now as major partner in a Labor-Farmers Cabinet. In the last half-dozen general elections, its strength at the polls has remained equal to or greater than that of the three non-Socialist parties—the Conservatives, the Liberals, and the Farmers—combined.

Professor Gunnar Myrdal once remarked that there was more socialism in Sweden before the Socialists came to power than there has been since. As far as public ownership is concerned, this is certainly true. Though the state has played a vital and sometimes fumbling part in the economic life of the country, since 1933 the Socialists have carried through no new nationalization schemes. In the immediate postwar years plans were under consideration for taking over insurance, oil importing and distribution, and the shoe industry, but these were dropped, partly because of the persistent opposition of Sweden's highly developed co-operative movement.

Most of the state ownership that exists is more the result of historical or geographical conditions peculiar to the country than to any recent trend toward socialization. The central bank of issue, Sveriges Riksbank, which was

founded in 1688 and claims to be the oldest central bank in the world, has always been state-owned and is controlled by Parliament. When railway building began nearly a hundred years ago, the state made itself responsible for the big trunk lines and has since acquired most of the secondary lines built by private enterprise. It controls about ninety per cent of all railway traffic, and there is little doubt that in due course it will take over the remaining ten per cent. But the state's interests in other forms of transport are modest. The merchant marine is ninety-nine per cent privately owned, as are sixty per cent of the bus lines.

## Government Woods, Private Fields

Historical considerations also explain the fact that twenty-five per cent of the nation's forests are now owned by the

government. Most of this property either formerly belonged to the Church and gradually passed into the government's hands after the Reformation or is former crown property that has been taken over for operation by the state. The other seventy-five per cent of the forests are owned by individuals and corporations, with private persons owning twice as much as the companies.

Insufficient private capital necessitated government participation in the development of Sweden's iron mines, especially those in the far north, but the government's total share in the companies that operate these mines is only thirty-eight per cent. The government's most important mining interest is the preferred stock of the Luossavaara-Kiirunavaara Company, which operates the famous "iron mountain" in





Lapland. The Grangesberg Company, which holds the common stock, appoints half of the members of the board of directors, as well as its chairman and the president of the firm. At the stockholders' meetings the preferred shares held by the government are worth one-tenth of a vote each, as against one vote for each common share.

The other big government investments are in the Swedish Oil Company and the Norrbotten Iron Works, the latter founded in 1939 to provide additional employment in the northern part of the country and increase the domestic supply of iron ore (which seemed threatened during the war). The government owns practically all the stock in both of these firms, but they are operated on normal commercial lines.

Though the government owns some important hydroelectric power plants, its share of the total electric current produced in Sweden is only about forty per cent, with local governments responsible for another six per cent. Over fifty per cent remains in the hands of private enterprise.

As far as other industry is concerned, the government does own some ordnance, clothing, and shoe factories working exclusively for the Ministry of Defense, as well as some repair shops and naval yards that work for the state railways and the Royal Navy. These are all relatively small establishments, and of Sweden's total industrial labor force, only about five per cent work in government-owned enterprises.

Despite the progress of industrialization in the last half century, many Swedes still consider agriculture the mother industry of their country. Sweden has some 400,000 farmers, the bulk of them small landowners whose farms do not exceed twenty-five acres. Ninety-three per cent of all arable and pasture land remains in private hands.

Though the government is subsidizing the building industry and though there are many co-operative and municipal housing schemes throughout the country, ninety per cent of all dwellings are still privately owned.

#### 'Free Enterprise' Co-ops

Between the two wars and again in more recent years, a great deal of attention and publicity has attached to the part played in Swedish economic life by the co-operative movement.

This network has indeed been most successful, but only in the field of food retailing does it play a really vital role. The co-operatives now are responsible for some twenty per cent of all food sold over the counter in Sweden, and they certainly exercise the greatest influence on the price structure in that particular trade.

Apart from food, the co-operatives can claim only some two per cent of all retail trade. During the last thirty years the co-operatives have also gone into industrial production, but only in a few instances such as the manufacture of electric bulbs and rubber galoshes, or as flour millers and mass-production bakers, can they be said to have acted as pioneers. Most of their present industrial and commercial interests were formerly held by private firms, like the famous Gustafsberg Porcelain Works, a large soap factory, or the P.U.B. stores in Stockholm. The co-operatives' total share in industrial production is only about four per cent, roughly the same as that of the government.

There is a vast difference between the government's attitude toward industry and trade and that of the co-operative movement. The co-operatives reject all idea of monopoly and fervently believe in the virtues of competitive enterprise. It is a great mistake to identify them with the government or with the Socialist Party, even though some of their leaders have served in

Socialist Governments. Their highly efficient organization operates on strictly business lines and is far more like a powerful financial trust than a national agency.

In the 1920's, the state acquired some insignificant banking interests in order to save a few small commercial banks from collapse. This, too, came under the heading of accident rather than that of premeditated policy. The government's interest in banking represents roughly six per cent of the capital and funds of all the commercial banks taken together.

#### Where the Shoe Pinches

These figures certainly offer most convincing proof that despite twenty years of Socialism, the ownership of Swedish industry, finance, shipping, and trade remains overwhelmingly in private hands. This is, of course, only one side of the picture. The Swedish Socialists have been wise enough to leave the risks and responsibilities of operating trade, industry, and finance to the shareholders and directors of the big companies, some of which deservedly enjoy world-wide fame. But it would be quite untrue to say that Swedish private enterprise enjoys anything like complete independence.

Partly through direct participation, partly through pressure, the state takes a very active part in the business life of the nation. For instance, the banks are under the strict supervision





of a special government body called the Royal Bank and Stock Exchange Inspectorate, whose long history dates back to the seventeenth century. There is also a Banking Act, which first came into force in 1836 and which has been redrafted so many times that even the greatest expert today can never be certain of grasping all its restrictions.

Insurance is supervised in much the same way as banking, and the legislation affecting industry, trade, and navigation covers every conceivable aspect of these activities. To some of the old laws and agencies have been added many new ones—supposedly temporary—necessitated by the war or by postwar crises.

Through an extensive and constantly widening system of taxation the state also manages to channel a very substantial portion of the profits earned by private enterprise into the treasury. With social-welfare expenditures amounting to nearly twenty-five per cent of the nation's total budget, it is obvious that the state needs all the cash it can lay its hands on.

### The Planners' Postwar Fumble

The Socialists firmly believe in the redistribution of incomes and are just as anti-capitalist as their opposite numbers in Britain, but their efforts have happened to follow a somewhat different pattern. Like the British Labourites, they have an almost blind belief in the virtues of planning, and sometimes, especially in recent years, the results have been disastrous.

A few years ago, the Socialists had an unshakeable, if entirely unwarranted, conviction that an American postwar slump was inevitable, and that this would be followed in Europe by mass unemployment, general economic chaos, and a catastrophic shrinkage of Sweden's export market. Accordingly, they prepared a plan to protect Sweden in advance against all these calamities. During the years after 1945 they obstinately refused to admit the facts that were clearly belying their contention. Disregarding all available evidence, they grimly went on applying their anti-depression policies at a time when not only the United States but the greater part of Europe was booming. The result was a series of economic difficulties from which Sweden has not yet fully emerged.



Two steps taken by the Swedish planners in 1946 attracted universal attention and created considerable annoyance in the United States. One was a trade agreement with Soviet Russia, extending to Moscow a credit of one billion kronor over a period of five years; the other was the changing of the krona-dollar parity from 23.85 cents to 27.82 cents.

The trade agreement was supposed to ensure an outlet for Swedish goods in case America and western Europe had an economic collapse, and to improve political relations with the Russians and their satellites, thus assuring supplies of raw materials from these areas. When some Swedish industrialists protested that under the terms of the agreement the Russians might be in a position to monopolize the output of the electrical, engineering machinery, and locomotive industries and that this might prove dangerous, the Government rapped the businessmen's knuckles verbally.

Moscow remained pretty much aloof from the whole transaction, and used only about half of the credit available. It made no fuss over delivery dates, and the Swedish businessmen continued to put home orders first. So events proved the fears of both the plan and its critics to have been completely unjustified.

As to the raising of the krona rate in the summer of 1946, the intent was to protect Sweden against the vagaries of American capitalist finance, and

especially against American inflation. But since in the meantime the Swedish Socialist planners were creating an ever-expanding inflation of their own (e.g., cheap money for housing projects), all they achieved was a considerable dislocation of their country's foreign trade as well as a drain on their gold and foreign-currency resources. The general wave of devaluations in the fall of 1949 gave them a welcome opportunity to readjust the krona to 19.38 cents.

### Scandinavian Pattern

There are many lessons the Swedish Socialists have yet to learn if they wish to avoid the recurring crises which wrong planning and faulty execution have brought about in the postwar years. But whatever else may be wrong with Swedish Socialism, it must be said in its favor that its attitude toward nationalization has been a very reasonable one.

In Norway and in Denmark, as in Sweden, there are a large number of government controls and supervisory committees of all kinds, but all three Scandinavian countries seem able to divorce their socialism from nationalization. All three nations have understood that in modern times it is unnecessary for the state to take over private enterprise to make it operate with the utmost benefit to the economy. Both theoreticians and political hot-heads in other countries would do well to ponder the lesson.

# The Growing Pains Of European Unity

JEAN-JACQUES SERVAN SCHREIBER

ACCORDING to most of the predictions, this was to have been Europe's crucial year. For one thing, it was in 1952 that the Marshall Plan for European aid was to have been completed. Actually, of course, U.S. aid is still forthcoming, although it has assumed new forms. As the summer ends, the situation is ambiguous and confused, but those who foresaw the importance of the year 1952 were certainly right.

With America getting ready to go to the polls, a kind of temporary eclipse in American leadership has taken place abroad, and Europe feels more free to think things over and to proclaim what it thinks for all to hear. The thoughts expressed most frequently during this period of temporary independence are curiously contradictory: There is a drive toward unity along with some fresh doubts as to the basic principles of the Atlantic alliance; the nations of western Europe hesitate to rearm, and yet more and more they fear a rearmed Germany—a fear that a large number of Germans seem to share.

## Landmark

On August 10, the Schuman Plan became a reality when Jean Monnet, in Luxembourg, presided over the first session of the High Authority for the coal and steel pool. The event bound six European nations (West Germany, Italy, France, and the three Benelux countries) in an entirely new union. No longer were they wholly sovereign states joined in a mere alliance; they had finally subjected themselves to a truly supranational organization authorized to take decisions and put them into effect without referring to the member governments.

In his opening speech Jean Monnet defined the High Authority's limited

but real independence. It is no exaggeration to say that M. Monnet spoke as the government of a unified Europe may some day be able to speak. He addressed the eight members who compose, under his presidency, the High Authority, but beyond them he was speaking to Europe.

"Each one of us," he said, "has been

sent here not by the government of his nation but as the common choice of six governments. . . .

"The High Authority is responsible not to the nations but to a European assembly. The assembly has been elected by the national parliaments; it is planned that in the future the assembly may be elected by the peoples of the nations themselves . . . The assembly controls our actions, and can withdraw its confidence. This assembly is the first to which Europe has ever granted sovereign powers.

" . . . In reaching our decisions we shall neither ask nor accept instructions from any government or any organization, and we shall abstain from any act that is incompatible with the supranational nature of our functions.

" . . . Experience no doubt will modify and improve these new institutions. But what is settled once and for all is that [they] are supranational and even—let's face it—federal."

## Sovereignty or Prosperity?

The High Authority is already in touch with representatives of capital and labor in the steel and coal industries, preparing to put its program into action. Already two fundamental dates have been settled upon: There will be an integrated market for coal by February 10, 1953, and an integrated market for steel by April 10, 1953.

This market, with its 155 million inhabitants, produces 225 million tons of coal and 38 million tons of steel, its output of steel being only slightly less than that of the Soviet Union.

But the real importance of the Schuman Plan lies in its potential for development rather than in its considerable present successes. Merging production and markets in these six countries does not simply add together their separate



Robert Schuman

capacities. The plan calls for a sharp increase in productivity. Ultimately each nation will receive far more than it contributes at the outset, for if the economies of western Europe can be truly unified, the living standards of all its peoples will be raised. To indicate the extraordinary potentialities of unification, Pierre Uri, a well-known French economist and assistant to Monnet, has calculated the results that are possible within ten years:

"In 1962 the six nations of the Schuman Plan, thanks to integration, can raise meat production by twenty-five per cent, coal by thirty per cent, steel by forty per cent, hydraulic power by sixty per cent, oil refining by eighty per cent, per capita national income by fifty per cent. One can predict that, with the exception of wheat, the unified production of the six nations will surpass the present U.S.S.R. production as based on recent estimates."

The Schuman Plan is not static. After coal and steel will come transportation. Already an agreement has been reached between French and German railroads which will permit a more efficient use of rolling stock in international transit. After transportation, the plan will take up agriculture. Pierre Uri expects that an integrated market for the chemical, mechanical, and textile industries will be formed in about 1954 and completed by 1957. Plans are being made to establish the first budget for a federated Europe by 1959, and there is to be a European monetary unit by 1960.

### Political Nettles

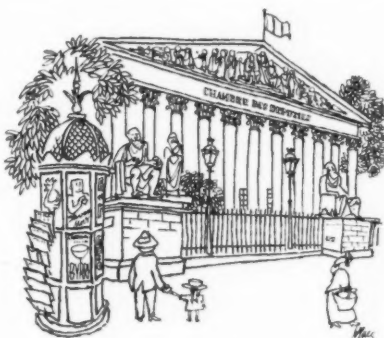
No matter how great its immediate importance, the High Authority is only a step toward unification. Serious political obstacles remain.

At the Quai d'Orsay on July 23 there was a meeting of the six Foreign Ministers of the Schuman Plan nations: Robert Schuman of France, Alcide De Gasperi of Italy, Konrad Adenauer of Germany, Paul van Zeeland of Belgium, Dirk U. Stikker of the Netherlands, and Joseph Bech of Luxembourg. The agenda included the choice of a capital for the Schuman Plan organization, activation of the Schuman Plan treaty, and discussion of a projected supreme political authority for Europe.

This last point attracted the most attention. It was known that both

Schuman and De Gasperi intended to bring up for the first time the problem of direct popular elections for a European assembly. Nobody expected the other questions to cause serious difficulty.

But by the second day it was apparent that each one of the six Foreign Ministers had a strong idea of his own about the choice of a capital for the



Schuman Plan and that agreement would be difficult. The nationalist spirit obviously still persists.

Among the various possibilities studied were Strasbourg, The Hague, Liège, Turin, Luxembourg, and a little-known Luxembourgian spa on the French border, Mondorf-les-Bains. Suddenly, to everyone's surprise, including that of the French diplomats, Schuman interjected the problem of the Saar by proposing Saarbrücken as a possible capital. Immediately Adenauer, who had agreed with De Gasperi on Strasbourg—a choice, incidentally, which everyone had expected that the French would support—objected to Schuman's bringing the Saar question into the deliberations.

De Gasperi then suggested a compromise: Strasbourg would be the temporary capital, Saarbrücken the permanent capital as soon as France and Germany had come to an agreement on the whole problem of the Saar. The two nations were to start negotiations at once.

It soon became apparent that the representatives of the Benelux nations were determined to oppose all suggestions. The Dutch Foreign Minister, Stikker, declared that he could take no part in a final decision because of the fact that he represented a Government that had resigned from office three weeks earlier. The Belgian, van Zeeland, demonstrated his usual obstruc-

tionist tendencies by refusing to consider even Brussels as the capital.

At three o'clock in the morning the meeting was about to break up without having come to any agreement. At that moment a French functionary called Schuman's attention to the fact that if no capital were chosen, the Schuman Plan could not be set in motion. Until the Schuman Plan is actually in operation, Germany—already freed of obligations under the occupation statutes and not yet bound under the Schuman Plan—would be a dangerously free agent. Schuman returned at once to the conference hall determined to keep the meeting in session until a compromise could be reached.

At five o'clock in the morning the meeting produced a hybrid formula: Temporarily there would be two capitals—Luxembourg for the High Authority, Strasbourg for the Assembly and the Court of Justice. Ultimately everything would be in Saarbrücken, and Franco-German negotiations on the Saar would start before September 15.

### Where's John Bull?

The one thing that emerged most strikingly from that strange all-night session of the Foreign Ministers was the fact that Europe's small nations still mistrust Europe's large ones. Once again the Belgians, speaking also for the Netherlands and Luxembourg, showed how reluctant they are to enter into a European union from which Great Britain is absent. While not daring to oppose the principle of European unification, they do everything they can to delay concrete action. That same week, Paul Struye, president of the Belgian Senate, wrote in an article for the Brussels newspaper *La Libre Belgique*: "The incidents that took place at the meeting of the Six teach small countries a lesson. We have seen that any decision the Six can take is subordinated to agreement between France and Germany. Is this not an example of what our small nations must expect on the day they renounce their sovereignty and enter a supranational military and political organization?" An editorial in the conservative Paris *Le Monde* commented: "Will the Six have to sit up until five in the morning every time a unanimous decision has to be reached?"

Disappointment at the meeting was



not expressed in editorials alone. Two prominent statesmen—René Mayer, a French Cabinet Minister, and Gaston Eyskens, former Belgian Premier—who had previously agreed to work in the new institutions, both changed their minds.

Despite the meeting's failure to choose a capital, the Schuman Plan went into effect at the beginning of August. But now everything depends on the Franco-German negotiations over the Saar. It is no exaggeration to say that if France and Germany can solve the very difficult problem of the Saar, a united Europe can be built on solid foundations. If these negotiations fail, unification will fail.

### Keystone: The Saar

Many French politicians and diplomats think that Schuman was wrong to bring up the Saar problem just when European unity was getting under way. But Schuman was convinced that it was better to risk failure at the outset than to ignore the time bomb which the Saar problem represents. He has logic on his side.

What is the Saar problem? Essentially, it arises from the fact that the French are insisting that the region's coal mines and steel industry must remain bound to the French economy, even though the Saar's population is unquestionably German. France cannot give up the Saar's economic potential to Germany without breaking the economic balance between the two nations.

Thus stated, the problem would seem insoluble. The French Parliament cannot agree to let Germany have the Saar, and the Bundestag cannot agree to give up West German claims to political sovereignty over the people there. But Schuman and Adenauer are determined to build the new Europe at any cost. Their plan for the Saar is to "Europeanize" it, to make it a European equivalent of Washington, D.C., the first Federal District of the new Europe.

In London last February, during a meeting that preceded the Atlantic Council session in Lisbon, Schuman and Adenauer agreed upon this formula. Numerous German political parties—including several belonging to the government coalition—have opposed the compromise. They feel that it is no more than a polite and legalistic

method of taking the Saar away from Germany. The majority of Germans ask that those political parties in the Saar which favor union with Germany (and which have been outlawed by the Saar authorities as subversive) be authorized to function openly, and that the general elections scheduled for October in the Saar be postponed for at least a year. By then they hope that the pro-German parties can turn the elections into an overwhelming plebiscite in favor of returning the Saar to Germany.

Small wonder, then, that Schuman insisted on bringing matters to a head right away, confronted European public opinion with his project for the Europeanization of the Saar, and insisted that Franco-German negotiations be entered upon before September 15.

Schuman's action placed Adenauer



Churchill

in an extremely difficult political situation. The West German Chancellor will certainly try to obtain his parliament's consent to the Europeanization of the Saar; but he will insist that the formula be ratified by the Saar elections, and he, too, wants these elections postponed as long as possible. Interviewed by the Luxembourgian paper *Luxemburger Wort* on August 10, he

declared: "The final decision must be made by the people of the Saar . . . if we Germans consent to the Saar's being Europeanized, then it must be admitted that Germany has made a great sacrifice."

To make that sacrifice more palatable, it has been suggested that France should agree to Europeanize simultaneously a portion of Lorraine in a gesture of reciprocity. It must be acknowledged, however, that such a gesture would be mostly symbolic.

### The French Dilemma

France is not the only nation to be embarrassed by the conflict between commitments to rearm and the demands of a strained national economy. It was on account of disagreement on rearmament that the Dutch Government fell early last year—two weeks after a visit from General Eisenhower. In a recent debate on the British budget, Prime Minister Churchill was forced to admit that Britain could not keep its military engagements as formulated in the Atlantic coalition without making its present economic crisis worse. The British rearmament plan which was to have been completed in three years is now scheduled to take four years.

In Belgium, opposition to the Atlantic pact program was already violent at the beginning of the year, when the report of NATO's "Three Wise Men" asked a thirty per cent increase in the Belgian program. Early in August the army protested openly against lengthening the military service from eighteen months to two years. The army was backed up by a twenty-four-hour general strike called by all the labor organizations of the nation. In France the problem of rearmament became acute when the French Government asked in July for more offshore purchases by the United States and met with a refusal.

The importance of offshore purchases has been very much exaggerated. Actually, France may receive more dollars in 1953 than in 1952, and the additional help France was asking would have underwritten only four per cent of the total French military budget. The essential point is that France cannot bear the burdens of economic reconstruction and the Indo-Chinese war and still build up sufficient military strength at home to match that which



the Germans have been called upon to furnish. This is France's real problem, and it weighs heavily on all plans for unifying Europe.

In discussing offshore purchases, certain French leaders implied that France might have to revise its foreign policy. Air Minister Pierre Montel declared: "If offshore purchases are not granted . . . the Government and Parliament will have to examine whether the whole of our military policy and even our foreign policy may not have to be reconsidered and changed."

René Pleven, Minister for National Defense, suggested on August 5 that Atlantic policy as it stands puts France in an impossible position: "The difficulties we face force us to consider a complete revision of the methods employed in the Atlantic organization. . . . It is not a question of detail; it is a general problem; it must be brought up before the Atlantic Council. . . ."

### The Bursting Budget

France is now held in a vise between Indo-China and Germany. Despite the fact that France, by one way of reckoning, has the heaviest military budget in the free world, the nation cannot now put more than ten divisions into the field in Europe; to try to do more than this would force France to give up almost entirely any attempt to manufacture arms.

The usual procedure for assessing a nation's burden of military expenditures is to balance its military budget against its national income. Using this scale, France comes immediately after the United States and Great Britain, but before all other European nations. The United States spends eighteen per cent of its national income for arms, France eleven per cent. A more equitable test is to compare the military budget with national income remaining after the minimum needs of the population for food, clothing, housing, and heat have been covered. Using this readjusted national income as a scale, the military burden of the United States comes out as fifteen per cent, that of France as twenty-eight per cent.

To give just one example of how this heavy burden affects the nation, statistics for housing units built in Europe in 1951 show that Norway built 7 units per thousand inhabitants, West Germany 6.25, Italy 4.7, Belgium 4.2,



Adenauer

Great Britain 4, and France 1.07. The housing crisis in France is an essential factor in the nation's lack of economic flexibility. Burdened with the heaviest military budget in its history, France can afford to build little more than one-sixth as many housing units as West Germany.

### Fading European Army?

Less than two months from now the treaty instituting a European army—already ratified in Washington and London—will come before the French Parliament. The result cannot be predicted.

In the British House of Commons the treaty was ratified 293-253 against unexpectedly violent opposition from Labour. Not only the Bevanites but also a much broader section of the Labour Party led by Hugh Dalton opposed German rearmament prior to a new meeting with the Russians. This is pre-

cisely the position taken by several French Socialist leaders, particularly by Jules Moch. And Emanuel Shinwell, former Labour Minister of Defense, declared: "France has hardly five divisions in Europe because of its heavy involvement in Indo-China. As long as French plans for defense remain incompleting it would be a mistake to rearm Germany." This statement reflects very well the feelings of the majority of the French people.

Through all French political parties there runs one universal fear: that the new German army, although technically subordinated to a European organization, will become the political center of gravity in Europe. Many French were impressed by the concluding sentences in a recent editorial in the Italian *Corriere della Sera*: "There can be no European equilibrium until a great land force faces Russia. Those forces can be supplied only by one nation, Germany."

Then came the announcement that the French military program would have to be reduced because of the United States' refusal to increase offshore purchases. This announcement so inflamed French fears that even that moderate Radical Socialist Maurice Bourges-Maunoury, a member of the Defense Department in the last three Cabinets, was impelled to declare: "The European army has lost its last chance of acceptance by the French Parliament. . . . Our situation can only be improved by revising our foreign policy."

In the face of all these dangers, the majority of French Deputies still realize that France cannot abandon its efforts to unify Europe—and that a vote against the European army would be a deadly blow to the whole project of unification.

On one hand there is the danger of predominant German power, on the other that of a Europe divided and thereby weakened. To solve this dilemma the French are turning toward an alternative solution: They still want to unify western Europe, but now they are inclined to give priority to the building of its political structure rather than, as in the past, to the building up of its military strength.

On the Left among Socialists as on the Right among Gaullists, there is strong support for this shift of emphasis. Characteristic of such views is a state-

ment by General Emile B  thouart on the European army treaty: "The member states should be offered an amendment to the treaty specifying that its provisions will not go into effect until a supreme political European authority had been created."

The French government has finally come to the conclusion that under present circumstances a unified Europe can be acceptable and can prosper only if priority is given to its political structure and not to its armed forces.

The French government bases its position on a text voted May 30 by the Council of Europe in Strasbourg on a motion by Paul-Henri Spaak of Belgium. This text suggests that the several governments concerned authorize either the Schuman Plan assembly or a special assembly to work out "the statutes for a supranational political community." The French were to have proposed their plan on this question at the Quai d'Orsay meeting of July 23, but they had to postpone doing so until September. The French intend to ask the Schuman Plan assembly to determine under what conditions general elections can be held throughout western Europe to elect a constituent assembly that will proceed to establish the basis for European federation.

The government wants to get this matter settled before the treaty for the European army comes up for debate in Parliament. If this can be done, the chances of getting the military treaty ratified will be very greatly improved. Early in August, Herv   Alphand, who presides over the French delegation to European conferences and represents France in the Atlantic Council, declared: "Within a few months, for the first time in history, the peoples of six European nations will be called upon to elect a truly European parliament which on the one hand will supersede the special assemblies already existing for common European purposes, and on the other will in all probability be called upon to develop a federated Europe in many other domains."

#### First Unity, Then Strength

The year 1952 will, indeed, see great changes in the general direction of European policy. In the last three years, through fear of the Soviets and led by the United States, western Europe has concentrated on building up a military force as rapidly as possible. Even the

prospect of bringing Germany into the European community was accepted, at first, primarily because it was necessary for regional defense.

But this concept is being abandoned. The emphasis now is not on military matters but on economic stability, on the need to modernize European industry, and on the efforts to create the political structure that will permit the creation of a European federation. In this new perspective the European army is no longer the main cause for unification but merely one of the results that would proceed from unification. Europe's leaders are much less inclined now than they were even six months ago to sacrifice political agreement or economic progress for purely military considerations.



Pleven

This new orientation is not directed against American policy or against the Atlantic pact. The United States has always championed the cause of European unity as the only possible source of stability and strength in the region. The Europeans agree.

Two statements made in Paris only two days apart in the middle of August emphasize this new European attitude. On August 10, in his first press conference, General Ridgway declared that he favored a military service period of two years for all European countries. On August 12, the six Ministers charged with western European defense proclaimed publicly that the official period of military service could not under present circumstances be extended and must remain as it stands, at eighteen months.

#### Ike: Symbol of the Past?

Europe is proceeding from a negative attitude, inspired by fear of Russia, toward a positive attitude which admits the necessity for military preparation but insists on the prior need to unite Europe politically and to modernize its economy. More than ever western Europe feels it necessary to affirm its will to unite.

Europe's present mood naturally affects its outlook on the American elections. Until now Europeans have thought of General Eisenhower as their champion in the American political arena. A majority hoped that he would be elected President. Though the General's popularity remains great, an increasing number of Europeans cannot avoid a tendency to identify Eisenhower with the strictly military concept of the Atlantic alliance under which affairs have been conducted until recently, a concept which now seems to many of them obsolete. To some degree Eisenhower has come to symbolize the past.

Governor Stevenson's first speeches seemed to lay greater emphasis on the need for a western policy that would aim at raising Europe's standard of living and would favor political collaboration. Thus Mr. Stevenson appears to be a champion of that new Atlantic attitude which so many Europeans now demand.

At the end of 1952, Europe will certainly be very different in mind and purpose from the Europe General Eisenhower left in May.



# The Progress Of a Porkchopper

SID LENS

MEMBERS of labor unions frequently refer to the organizers and other professional employees of their unions as "porkchoppers." The term, which now carries more affection than derision, seems to have been originated at about the turn of the century among the Wobblies (Industrial Workers of the World) to express their contempt for labor leaders who placed reform above revolution and their own comfortable livelihood (including pork chops) over the economic and political interests of the proletariat. With the decline of the Wobblies after the First World War, the term passed out of popular usage. But in 1936 it cropped up again among the ranks of the cio Auto Workers, which were studded with ex-Wobblies. R. J. Thomas, who served as president of the Auto Workers before Walter Reuther, was usually hooted at in union meetings as a porkchopper, and usually re-elected by large majorities. The term was no longer a taunt.

Being a porkchopper has lately attained the status of a profession. Each year bright-eyed young men and women who have graduated from the industrial-relations schools of large universities make their way to trade-union offices to seek employment and the fulfillment of their social ideals. Most of these young people do not find exactly what they are seeking, and presently cast their eyes toward the far more lucrative desk jobs on the other side of the fence, in the personnel offices of private industry.

## Young Hopeful

But many of them persevere. There is one college man serving as a porkchopper in our local who has turned out to be much better than we had any reason to hope a year and a half ago,

when he appeared in our offices armed with nothing but idealism and the recommendation of a professor. We took him aside and gently explained the facts of life to him. In the first place, we said, elevating the status of the underprivileged workingman may seem like a noble undertaking, but the day-to-day details of that venture—cranking a mimeograph machine, distributing leaflets at factory gates, addressing envelopes, and marching on picket lines—are unexceptionally dreary. Furthermore, we said, while he might conceive of the working class as a whole in noble terms, he probably would find that not all individual workers would understand or like his educated vocabulary.

We further warned our college man about the long hours of work. Sometimes, we told him, you may have nothing to do for a few days, and at other times you'll be working around the clock. Are you sure, we asked, that your

wife would be reconciled to this sort of existence?

We continued our recitation of the dour prospects. There is no security in the porkchopping profession. Put on the payroll by the incumbents in office, you are expected to campaign for them if factional strife occurs. If your side loses the election, then you lose your job. You have no seniority. We mentioned some men who had given years to their union and were then let out, usually without even severance pay.

Finally we gave him what we thought was the *coup de grâce*. The picture an idealistic youth gets of the labor movement is bright, we told him, but the reality is somewhat tarnished. A porkchopper often finds himself telling workers to go back to work when he actually thinks they ought to stay out on strike, or to settle for nine cents an hour when he thinks they ought to hold out for eighteen. Some of the po-





litical maneuvers within unions are often extremely unsavory. There are, we told our eager young porkchopper, many opportunists in the ranks of labor, many questionable deals with politicians or employers. These aspects are not universal by a long shot, but they require a strong stomach.

Furthermore, even the rank and file can be a difficult taskmaster. You won't find workers jumping all over your neck when you win a tough grievance for them. No matter how hard you work, there will be some who look upon you as suspect. You may even be appalled by the low level of social consciousness in the movement. Finally we said that under the circumstances we felt that a man out of college ought to work in a factory himself for a while to inure himself against such tribulations.

### Beginning of a Career

To our great surprise the young man accepted this proposal. Four factories and a year and a half later, he was a full-fledged porkchopper on our staff. He had worked in two lampshade plants, one organized and one unorganized, in one candy factory, and in one plant that made scales. After working hours he had either visited fellow workers at their homes in an effort to organize them into our union or had operated the mimeograph machine and run errands at union headquarters. He had failed to complete the organization of any of the unorganized factories he was in, but in an organized plant which had a contract with our union he had become the unofficial steward and done such a good job handling grievances that the company had fired him before the end of his sixty-day probationary period.

Now he works for us. His income is approximately that of an auto worker. (Our constitution provides that no one may work for the union at higher wages than the highest-paid worker under contract.) His assignment is to organize new factories and stores, and he is undoubtedly the best man we have when it comes to dealing directly with workers.

During the week this is written—a rather light week—he came in to work at nine-fifteen each morning, went home at six two nights, at eight another night, and at midnight the day before yesterday. For a stretch of seven

weeks a little while ago none of us had a Saturday off, and we worked three of the seven Sundays. During one full week while we were preparing for two Labor Relations Board elections our college boy got up at four in order to distribute leaflets at six and stayed on, writing and mimeographing leaflets, well into the evenings. He receives no overtime pay. His wife sometimes complains that he never gets home to see his two kids, but by and large she has been understanding and helpful. Our college boy has become a full-fledged porkchopper.

### Long Hours, Poor Pay

Nobody gets rich as an organizer. There are, of course, the big wheels like John L. Lewis, who receives fifty thousand dollars a year for his efforts, and Philip Murray, who recently got a raise to forty thousand dollars. There are also some local union leaders, in the older organizations, who earn sums as high as four hundred dollars a week.



But on the other hand there are quite a few of us practicing our profession at the rate of sixty or seventy dollars a week. The three hundred or so porkchoppers on the UAW-CIO staff receive emoluments of one hundred dollars a week, plus \$6.50 a day for eating out, picking up the tab in the neighborhood bars, and other assorted expenses. The average auto worker earns about eighty-five dollars for a work-week that is ten or even twenty hours shorter than that of the porkchoppers.

Ordinarily porkchoppers receive the same vacations as workers in the shops, two or three weeks. Their working conditions are not bad because they usually have a wide latitude for independent action. They are not docked for coming in late or being absent, but it must also be pointed out that they receive no pay for overtime, no differential for night work, no premium pay for Sundays or holidays.

The labor movement has been fighting vigorously these past four years for employer-financed pensions for workers. But few porkchoppers have pension plans as yet. Most of the plans that do exist are "contributory" rather than employer-financed. Cio Textile, for instance, has a plan in which the porkchopper and the union contribute about half each. At the age of sixty-five the men can retire with forty-five to fifty per cent of their regular earnings. UAW-CIO likewise has a contributory plan which provides both for pensions and severance pay.

### Porkchoppers' Union?

Attempts by porkchoppers to organize unions of their own have been few and far between. The last important one took place in 1940, when a group of UAW-CIO porkchoppers decided they ought to have some protection on the job. The men who fought for seniority for factory workers had none for themselves. Factional fights were hot and heavy, and yesterday's porkchopper was today's unemployed. They set up a "union," elected national officers, and presented demands to President Thomas. Although their chat was pleasant and friendly, nothing came of the venture. Some of the union officers, Walter Reuther among them, felt that there was no place for a union within a union. The porkchoppers' "union" was soon dissolved.

A year ago the whole porkchopper



staff on the payroll of the AFL Air Line Pilots Association organized an independent union and petitioned the National Labor Relations Board for an election. The president of the organization, David Behncke, fought the move tooth and nail, but the Board eventually ordered the election. The porkchoppers won, mostly because of a factional fight by other union officials who were trying to replace Behncke.

At his best a porkchopper must be adept at organizing new workers, leading strikes, resolving grievances, passing on knotty legal problems, holding the hands of unhappy workers who think they have a grievance, consolidating a political machine to win the next election, writing and publishing leaflets, and being a diplomat in disputes not only with management but between the workers themselves.

### Ulcer Fodder

To a conscientious porkchopper, life is always filled with the unusual, the unexpected, the stuff of which ulcers are born. A little woman came to our office some time ago demanding that we have the manager of a large supermarket fired. The supermarket was under contract with our union, the United Service Employees. She said she had just quit the place in disgust because the boss had transferred her from a counter where she sold doughnuts to the sweet-roll counter. Several hours of a porkchopper's time were spent listening to the "grievance" of this poor lady and the horrible crimes committed by the manager. Her account was so persuasive that we were ready to get out the old shotgun and plug some holes in the villain's hide. But a little calm investigation revealed the fact that our aggrieved lady's husband, after twenty-five years of wedded bliss, had taken to philandering in such a way as to cause our union sister to see the devil himself under each sweet roll. Since we had neither the training nor the time to be part-time psychoanalysts, we could only spend six hours with the patient. We hoped it did her some good.

A few weeks ago we were in negotiations with an employer who insisted that not he but the chief steward in his establishment was running the place. He wanted this lady discharged before he would even consent to a new contract. The problem of his self-esteem



was obviously more important than money. We explained to the boss that even if we agreed to the discharge of the extremely popular woman, she could walk down to the National Labor Relations Board, file a complaint, and stay out of work for about two years waiting for her full back pay from both the company and the union. Since she would obviously have been discharged for her union activity, the NLRB would be faced with an open-and-shut case. The employer refused to budge. We tried all kinds of methods to salve his ego: We offered to arbitrate; we even enlisted intermediaries to appeal to his civic pride. Rather than live with the chief steward, he finally sold his business, and the new employer promptly granted exactly what we had asked for in wage increases, without even mentioning the chief steward.

### The Old Man and the Door

The porkchopper is always up against heartbreak, sometimes with amusing consequences, sometimes with tragic ones. One day one of our organizers was arguing over the telephone with a management attorney who wanted us to agree to the discharge of a seventy-four-year-old porter. The thin, leather-faced, and slightly stooped old man was sitting in our office listening to the conversation when a gust of wind blew the door shut. It was stuffy in the room, and so our organizer asked the attorney to hold on a minute while he opened the door. All his efforts were in vain. Huffing and puffing, he was unable to pry the door open. But the old porter, just described by the management as "three-quarters dead," ambled over and opened the door with only a slight heave. The incident was good for both

a laugh and a six-month extension of the old man's employment.

A deaf-mute member of our union came into the office a few days ago and held a conversation with one of our porkchoppers via paper and pencil for more than an hour and a half. The gist of the "talk" was that he had been fined \$250 because his child had played hooky from school for a number of weeks. The fine, he wrote, had been reduced to seventy dollars but he didn't have the money and he was to be taken to jail unless he could raise it. Could he get a loan from the local's credit union? Probably, we replied, but he would have to speak to the loan committee, composed of rank-and-file workers, the following Tuesday—five days away. The man was practically in tears. We called his wife to get more details, but she was hard of hearing. Finally we called the judge at his home and learned that the fine had been completely suspended and that the man owed only seven dollars—not seventy—in court costs. Another triumph for the labor movement.

Tragedy, however, rather than humor is the rule in the union office. A worker's eye was poked out by a machine. She was taken to the hospital, recovered the use of her other eye, and received a cash settlement from the state Workmen's Compensation Board some months later. Her doctor told her she could return to work at some lighter task, and the company was willing to take her back. Unfortunately, the firm that wrote the company's insurance threatened to cancel it if the girl was taken back. She had been careless, they said, and was not only a poor risk but a bad example for others. Contractually, the union was helpless, since she could no longer perform her old duties. Management was under a moral obligation but not a legal one, and the moral obligation had been snuffed out by a mathematically minded insurance company.

One employer called us to ask if we could start a class on birth control. It

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seemed that in one department with eleven single girls there had been six pregnancies in the last two years. The boss didn't object to the girls' morality; he just didn't like the fact that they were disrupting the work schedule by taking off. Couldn't we get a social worker to teach them a thing or two?

A wage assignment was placed against a married woman in one of the factories. It turned out that her husband, who evidently was in the habit of coming and going as he pleased, had another lady cosign his wife's name to a loan. The loan company wanted to attach our member's wages, and the union counselor sent her to the union office. After five or six phone calls to the loan company, the employer, and our own attorneys, the matter was straightened out, but not before tempers and even gratuitous anti-union sentiment had flared several times.

#### Watched Watchman

A watchman in our union had been fired for being drunk. Three weeks later he returned to the company and talked himself back into his job. But management cut him down to the minimum rate, thirty cents an hour less than he had been getting. After working thirty days—the probationary period—he complained to the union, and we agreed with him: If he had done something that warranted discharge, he should never have been taken back; but if the misdemeanor was so light that he could be reinstated, then he should have been reinstated at his old rate. Management offered us a

raise of ten cents per hour, then boosted the ante to fifteen cents. As this is written we're still holding out for the full thirty cents, through long hours of strident argumentation.

#### Organizing the Unorganized

In the popular imagination, organizing new workers involves only a few baseball bats, three goons, some broken legs, and presently the place is under union contract. Such things may have happened on occasion, but in the vast majority of cases it's done by other techniques. First, there is an election survey. A porkchopper looks through the local classified telephone directory for a lead or gets one from a union member. Then he roams around the chosen factory seeking information. Maybe there is a group of workers playing softball on their lunch hour. Sometimes he visits nearby bars after or before working hours. At any rate, he soon strikes up a conversation or two to find out whether the plant is organized, how many employees there are, what the wage scales are, what the grievances are, how many women and Negro workers there are, and other pertinent information. Women are ordinarily harder to organize than men. Negro employees usually come in *en bloc* once the ice is broken. Before a union can secure an election from the Labor Board, it must bring in authorization cards from at least thirty per cent of the employees in the unit.

Our collegiate porkchopper went through this ritual in two factories simultaneously not long ago. In the

first, a rubber roller plant, he had trouble. He distributed a number of circulars and gradually signed up a majority of the plant. The process took about ten weeks. During that time we held weekly meetings in a saloon close to the factory, explaining what unionism means, detailing the operation of our own local, telling them that no dues would be charged until the shop was actually under contract, and pointing out that they themselves must do the job of enrolling their fellow workers. After a while we filed an election petition with the National Labor Relations Board.

The Board called a conference with the employer and his two attorneys. We were represented by two porkchoppers and two employees. The company said it would agree to an election if we permitted twenty-two foremen to vote. Management said that these employees were really "group leaders" with no supervisory authority. We insisted they were supervisors and excluded by the Taft-Hartley Law from voting. A compromise was reached, since neither party wanted to wait three or four months while a formal hearing was held before the Board to determine the issue; we agreed that the twenty-two men would vote under challenge. The election was duly held, but now we have to wait while the Board gathers evidence to determine which of the twenty-two actually are supervisors. It is almost three months since the election, and the whole thing is tied up in red tape.

In the other plant our porkchopper found eight or ten willing converts, and in one week they signed up more than eighty-five of the hundred employees. A few days later we met with the employer and asked him to begin negotiating a contract with us. We offered to have a check of our authorization cards against his payroll or to have a quick election—say next week—which-ever he preferred. He preferred neither. A few days later his attorney called to tell our organizer there was a slowdown; our organizer denied the charge, insisting only that there was a "deterioration of morale" and that if the company would agree to an election, morale would undoubtedly improve.

The young man who arrived in our office armed with nothing but idealism and the recommendation of a college professor won that election.



# Economic Forecast: Cloudy, With More or Less Inflation

PAUL SAMUELSON

IT IS RAINING outside my window. Yesterday the weather man predicted rain, and so his one-day forecast was right. But in his thirty-day forecast, he foresaw less than average rainfall. Less than halfway through the month, we have already had a good deal more rain than normally falls during the whole of it.

As an economist, my heart bleeds for the weather man. I feel him to be my brother. To forecast the level of national income that will be reported for all of 1952 is easier than you might think. After all, there is only about a third of the year left, and even if the trend should be up or down in the fall, the yearly total can hardly change by much. But ask me where prices and production will be a year from now, and I begin to stammer.

The business of economic forecasting has rarely been more difficult than it is right now, mostly because a change in the economic climate seems to be in the making. Prices, after remaining nearly stable for more than a year, are beginning to go up. The stock market has been quietly moving to the highest levels in twenty years. Official Washington nervously watches the upswing in food prices and braces itself for a new round of wage increases. The resignation of Ellis Arnall as Price Administrator dramatizes the weakness of our present price-control legislation.

If you meet someone who is willing to predict, on the basis of these changeable readings, whether we're in for rain or shine, then you had better notify the nearest Better Business Bureau. A prudent economist might venture to speculate on the recent change from stability, hoping thereby to throw some general light on the broader questions concerning the probable duration and intensity of inflationary pressures.



In an irresponsible mood, I might go even further. As a betting man, I would give odds against galloping hyperinflation of the German, Chinese, or Hungarian varieties. Why? Because history records few cases where nations not engaged in full-scale warfare have suddenly fallen victim to runaway inflation.

It may be rash of me to bet on such an uncertain possibility as inflation. Yet I am not alone: Forty million American families every day of their lives are making a similar wager; every time one of us buys an insurance policy or mortgages his home, he is implicitly taking a speculative position on the future of the price level.

## The Post-Korean Splurge

To appraise the immediate prospects for the American economy, a brief analysis of events since the invasion of Korea in June, 1950, is needed. For three-quarters of a year after that unhappy event, there was a period of frantic buying and rising prices, but during the last year and a half prices have been relatively stable.

The first of these periods is easy to understand. When the Korean conflict broke out, we all summoned up our vivid memories of the Second World War and began to fear price increases

and future shortages. So we rushed to the stores and stepped up our purchases of such durable goods as refrigerators, television sets, automobiles, automatic washing machines, and household furniture.

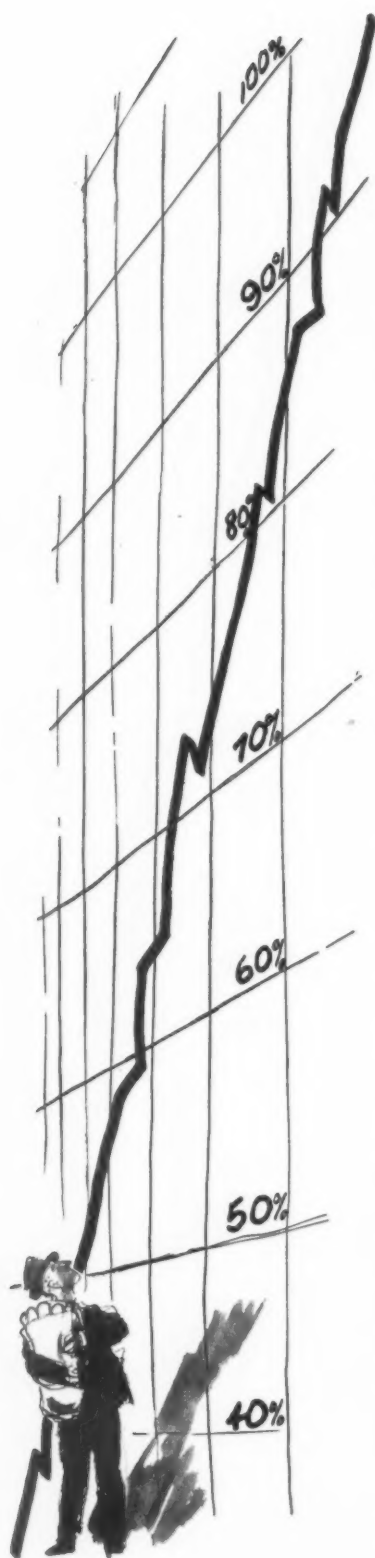
Few of us were sugar hoarders. Few of us were panicky. But it is wrong to think that panic and hoarding are necessary to touch off a great consumption boom. During most of the postwar period we have been saving, on the average, some five per cent of our family incomes left over after taxes: about one dollar in twenty for saving, nineteen for consuming. If forty million families simultaneously decide to increase their consuming by relatively little, the result will be a great change in the total statistics.

Now consider the fact that businesses, both large and small, in 1950 were also fearing price rises and future shortages. In addition, they were doing very well at the time. Naturally, they wanted to make many of their future purchases in the present. They eagerly added to their inventories and orders so long as the prices of goods they held were rising. If necessary, they gladly went to the bank or to the security market for loans. Moreover, in a period of such brisk demand, the cost of the loans rose, both because of rising prices and in anticipation of further price changes.

## What the Doctors Prescribed

During this first period everybody behaved about as might have been expected, and the results were also in line with expectations. But then something new was added. Decades ago everyone would have accepted this pattern of events as the working of the natural laws of supply and demand, and assumed that there was nothing to





be done about it. Of course, what happened did happen in accordance with these laws. But by early in 1951, the Administration and members of both parties in Congress undertook the following measures, whose effects were to lessen the inflationary pressures:

Personal income taxes were raised for all income groups, leaving people with less money to spend. It was not that the public was thereby deprived of goods. We civilians still got all the goods that the allocation mechanism of the defense program permitted, but we had less money with which to bid up the prices of this supply of goods.

Corporate income and excess-profits taxes were raised sharply. Without this further tax increase, corporations during the years 1951 and 1952 would have had unusually high earnings to use in bidding for scarce investment goods or to disburse in dividends to stockholders, who in turn could have allocated them to extra spending and personal saving. Even with the tax increase, corporation earnings after taxes and corporation dividends are still high by historical comparisons. All in all, so great has been the increase in corporate tax rates that few economists believe in further action along this front, and many are apprehensive over long-run effects.

The third measure had to do with bonds. After years of postwar conflict, the Treasury Department and the Federal Reserve Board reached an agreement in March, 1951, that the Board would not have to peg government bond prices at par by buying all the bonds offered. Consequently, any banker who wished to make mortgage and business loans in these inflationary times could no longer count on getting the cash to do so by selling his government bonds at a fixed price. Interest rates to bankers and to their customers rose accordingly, so that credit for inventory buying became costlier and harder to get.

Finally, early in 1951, a general freeze on prices was decreed. The Office of Price Stabilization and the Wage Stabilization Board placed the burden of proof on those who wanted to raise prices or wages.

#### The Miraculous Lull

What followed? Despite the gloomy forebodings of most of us economists, inflationary pressures subsided after

the first quarter of 1951. Until this summer, all was relatively calm. Indeed, the fiscal year from July, 1951, to July, 1952, has been one of the most remarkable on record. It would really be unbelievable, if we had not been prepared by so many remarkable years in the postwar era.

Virtually full employment prevailed. The nation rapidly mobilized for war, undertaking vast plant expansion in steel, aluminum, and other industries basic for war and peace. In some months the Federal budget actually showed a balance of tax and expenditure dollars. Those of us who had begun to despair, fearing that full employment and price stability were incompatible, had to rub their eyes and take another look. Staple prices fell sharply, general wholesale prices slumped slightly, and the cost of living rose barely two per cent.

#### And the Causes Thereof

What caused this miraculous lull in the inflationary pressures that had beset us? No final and authoritative diagnosis is possible, but the broad outline seems to me to be reasonably clear. I wish that I could attribute the change to the intelligent governmental measures mentioned above. Indeed, there are some economists who will tell you that the Federal Reserve credit policy stemmed the tide all by itself, and other economists will award primary credit to the price-control program.

All these measures taken together were certainly important, probably indispensable, in checking the inflationary trend. But reinforcing them powerfully was a movement none of us had foreseen—the remarkable drop in consumer spending after the first quarter of 1951. The percentage rate of personal saving almost trebled from the first to the second quarter of 1951; families that had been spending ninety-seven per cent of their incomes began to spend only ninety-two per cent. I remember how struck we economists were when the second-quarter statistics on savings became available. Could this be? Could it last? Well, it was so, and it did last for more than a year—until relatively recently, when consumption has again begun to rise.

Perhaps the enactment of price-control legislation moderated the fears and anxieties of many consumers. In any case, having just indulged in an orgy



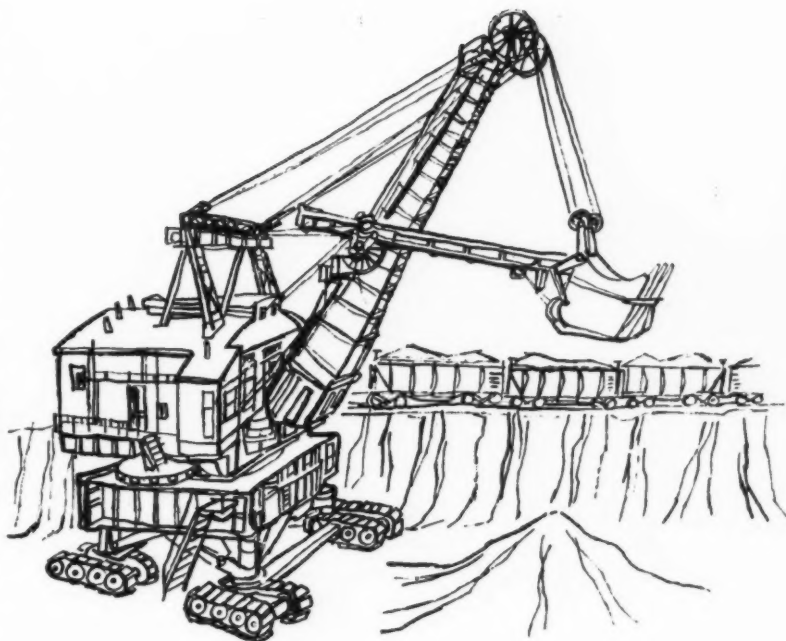
of buying, we had closets and shelves bulging with goods and found it fairly easy to stop buying so much. Also, we still had installments to pay on our post-Korean purchases. So a good deal of the lull is to be explained as a compensating and inevitable reaction to the previous splurge—a reaction that was encouraged by the governmental measures outlined above, and which in turn powerfully reinforced those measures.

On the business side, a similar phenomenon occurred. With retail sales languishing, merchants lost the urge to buy inventories ahead of schedule. They still built plants and bought equipment, but after paying higher taxes, they found themselves with less money burning holes in their pockets, and they stopped asking for as many new bank loans.

To this cheerful picture there is but one disquieting detail to be added. Part of the lull can be attributed to the slowness with which our defense program got under way. Military orders slipped behind, projects were cut back, and the whole program was stretched out over a longer period. Of course, this helped moderate inflation, but at the same time it left us weaker than we had intended to be.

### Another Great Slump?

With wholesale prices easing downward and with all the publicity we have heard about bad times in the textile and durable-goods industries, people naturally began to wonder whether another depression was in the making. This fear of depression was, in my judgment, entirely salutary and an important cause of the lull that followed. I have a collection of warnings by finan-



cial commentators and business economists concerning a slump to come. Throughout this period I checked these predictions with government economists to see if I could find support for such a view. But neither in the Treasury, the Commerce Department, the Reserve Board, or the Council of Economic Advisers did I find signs of similar pessimism.

Can you imagine a better prescription for a prosperous economy than fear of depression in Wall Street and fear of inflation in Washington, while Main Street remains fully employed and operates at stable prices?

Well, it was nice while it lasted. But the lull may be over. The steel strike, its price-and-wage settlements, and the drought's effects on food prices will certainly give some impetus to a resumption of inflation. The whole price-control program has been weakened and is less capable of preventing markups of prices and wages. Also, we are moving into a period of unbalanced budgets, with expenditures exceeding tax collections. Congress, perhaps bemused by the lull of last winter and certainly loath to boost already high tax rates for a third time, refused this spring President Truman's mild request for an increase. Probably no action in this direction can be looked for until after the new Congress meets. Tighter bank credit may play a part, but in my

opinion it will not be able to offset the strong inflationary pressures which are sure to beset us.

I conclude that a continuation of the lull is possible. But I am inclined to agree with this midyear view of the Council of Economic Advisers:

"Nothing now foreseeable in the short-run future justifies the hypothesis of a recessionary movement for the economy in general. On the other hand, if the main components of total expenditures tend toward the higher levels indicated, there will be a substantially growing inflationary strain upon the economy . . .

"... In view of the possibility of another inflationary spiral, we find nothing in the current economic situation to warrant letting down our guard against inflation, although we believe the greater probability is for a period of stability or a mild increase in inflationary pressures rather than for a considerable inflationary spiral."

The weather man won't tell us whether it will rain or shine on Election Day. But if I were to guess the economic weather between now and then, I'd say: No great change from the present, but the signs would seem to favor changes toward slightly more inflation rather than deflation. Whether that makes for Republican or Democratic weather, I leave to political soothsayers.



## VIEWS & REVIEWS

# Little Green Train to Dublin

HONOR TRACY

The following is an excerpt from the author's forthcoming book, *Back to Dublin*.

PRESENTLY the voyage came to an end. The toy harbor of Dun Laoghaire looked as quiet and sleepy as ever when the ship pulled in through the dark blue of the winter dawn. The sailing craft that tossed idly up and down on the ripples with a row of sea gulls perched round each gunwale seemed more at home in it than the packet, which was creating almost a vulgar disturbance. Down on the jetty with leisurely movements, no one anxious to kill himself, men were preparing to bring up the gangways. Eager to get away, the passengers had collected on deck and jammed themselves into a mass in which it was impossible to move or breathe. There were priests and nuns, shaggy-haired boys, women bowed under the weight of children and brown paper parcels, members of the ascendancy, purple of cheek and flowing of whisker, all wedged together in a cross and hungry mob. The sea which had buffeted the little ship so rudely on the way over now subsided into an oily calm: lights were coming out one by one like stars over Killiney hill; a smudge of pink along the horizon showed that the morning was not far away. From a church ashore came the sound of a bell chiming softly three times.

The people began pouring down the gangways. The customs examination that morning was both strict and lenient, in that everything down to the last paper bag had to be opened, yet nothing was searched. Gravely the conductor showed the passengers into their carriages and locked them in. A countryman home on holidays, with all the sophistication of England be-

hind him, launched into a tirade against the land that locked its children in trains. Why was it done? No one knew. The conductor was appealed to and readily explained that it was to keep them in and, at the same time, to keep them out; which either mollified the indignant countryman or stunned him, for he said no more. Placidly the little green train set off for Dublin. . . .

IT WAS a bright sunny day with small fleecy clouds scudding over the sky. Having left my things at the hotel, I went for a walk. The first hours in Dublin are always delightful, for the city throws all it has at the newcomer, discreetly flattering, gently soothing, feeding at once the eye and the imagination. The airs of grace and of lei-

sure have not departed even if the society which gave them birth is past and gone. It is a city of ghosts, but ghosts of the so newly dead that something of their earthly presence still lingers in the wide streets, the pleasant squares, that were their home; as you walk through them, you feel that Dublin still must be a bed of poetry and wit, almost you expect to see Yeats and Æ passing each other in Merrion Square as in the famous cartoon, George Moore must at that moment be in Ely Place devoting one more scintillating page to the dissection of a friend or happily ruminating how best to enrage a neighbor. But the truth is you are looking at a lovely shell; the old glory has departed, a new one is not yet in sight. The Georgian houses of rosy brick on the good side of the river are full of government people, commercial firms and businesslike doctors; and many of those on the other have turned into slums. . . .

Once more the beauty of Dublin revealed itself intense and theatrical in the magic light of Ireland that is softer and gentler and yet strangely more luminous than the light of other places. At the corner of Suffolk Street crouched the same old flower lady with the same old battered hat and ancient shawl, the rings in her ears and the engaging grin. The Liffey sparkled gold as it hurried along on its way to the sea, and the ramshackle houses on either side, washed yellow and pink and blue, glowed in the sun like the streets of some Mediterranean port. Sea gulls wheeled and swooped overhead with plaintive, childish cries, and fat little barges puffed downstream laden with barrels of stout for England. . . .



NOTHING was changed; how pleasant!

Even the auction rooms apparently were offering the same wares as in the summer before: the dusty bric-a-brac, the pots and pans, the harp with the broken strings, the immense straw hat with red and yellow cherries dripping from the brim, had still not found a purchaser. Bowed over the second-hand books were the early bookworms, who lifted their heads now and again to stare out into the sunlit street with little pale blinking eyes. In other windows were row upon row of plaster saints with meaningless faces, painted in nursery shades of pink and blue; the Infant of Prague with top-heavy crown, St. Elizabeth and her roses, the Redeemer Himself pulling aside His garments to show the Sacred Heart, cushiony and crimson as a ripe strawberry. A woman stood arguing with the vendor of a statuette of Blessed Martin de Porres.

"He's not very black."

"That's the blackest we do at three and six. There's a darker one for seven shillings."

"Dear enough!"

"Then take the three and sixpenny one. Sure, Blessed Martin wasn't really black at all."

"Oh he was black all right," said the woman, annoyed. "He was black. But give me the three and sixpenny, so."

Round the corner in O'Connell Street still another note was struck. Here were the cinemas, with the bills announcing films that glorified everything Ireland pretends to despise, where later on there would be long, patient, avid queues. Here were ice-cream parlors and cheap smart shops. Lord Nelson stood at the top of his pillar, gazing imperiously over the capital of the Republic; he ought of course to come down but it would make work and cost money and people have grown attached to him. And there were the hoardings with the posters to remind you of the hard little core of rancor behind all the smiles and geniality. ALIEN PUBLICATIONS THREATEN OUR IRISH CHRISTIAN HERITAGE! END PARTITION: COME ON SUNDAY AND HEAR SPEAKERS FROM OCCUPIED IRELAND! AWAY WITH COMPULSORY ENGLISH! I AM A WEST BRITON: I TAKE MY OPINIONS FROM THE BRITISH PRESS! and others too, which, being written in Irish, withhold their secret forever from most of the



passersby. A little higher up the street, the steps of the Gresham Hotel were speckled with clergy.

I TURNED aside and, having bought the morning newspapers, made my way into a snug that had long been a favorite because of the unlikelihood of meeting a familiar face in it. In the greenish twilight, with an air of having never moved since the beginning of time, sat still the three old gentlemen with the bottle noses and split boots, and the seedy bowler hats which they would gravely remove at the entrance of a woman. [They did so now.] At no matter what time of day, except in the Holy Hour, they were to be found in session. No word ever passed between them; it was impossible to judge if they were acquainted or not. Silent and absorbed they sat, each with a pint of stout at his elbow; nor did they break their silence when the stout was gone but merely brought their glasses down on the table with a sharp tap and the barman appeared at once with a rag to wipe the table in one hand and a fresh pint of stout in the other.

They were three of the finest and purest drinkers in Dublin: oblivious of their surroundings, of the venerable leather seats with horsehair bursting profusely from every crack, of the rickety wooden table with the collect-

ing box set there by the Holy Ghost Fathers for the Chinese Mission, of the perpetual dusk in the room; disdainful of conversation, indifferent to the passing of time, they sat and swallowed with never the faintest flicker of pleasure discernible in their congested features.

The sense of a continuity in things to which their presence gave rise was heightened by the first glance at the newspaper. The race horse switched or doped, the new list of banned books, the flattering message from an American Senator of Irish descent, the denunciation by a bishop of pillion riding as liable to reveal the leg—it was all there, almost word for word as in the last Dublin newspaper I had read months ago. But there was one grievous gap, alas! for even in Ireland changes creep in and time is remorseless, and the voice of Father Devane, S.J., was hushed and stilled forever.

That reverend gentleman had lived in a state of constant dread lest the Irish mind be contaminated by the materialist influx from the other side of the water; and while in the main he was very good about it, holding his peace for months on end, at intervals it would be too much for him; would all come boiling up in his mind; he must snatch up his pen or explode, and a bewildering flow or arguments, figures, and invective would result.



For some reason—or rather, by the purest chance—my arrivals in Dublin regularly coincided with an outburst either from Father Devane or from Father Felim O'Briain, who is happily still with us; so that I would be somewhat in the position of a cinemagoer who, having just been shown to his seat, rises almost immediately to exclaim, "But this is where I came in!" Neither spoke today: Father Devane was where for one reason or another the importing of English Sunday newspapers into Ireland would hardly vex him further; Father Felim, no doubt, was fruitfully meditating in Galway City.

**T**HIS little touch of the strange and the unwonted was further underlined by the absence, today, of a Fuss. There is usually a Fuss of some kind going on in Ireland; there has to be to make life interesting. As a rule the Fuss is launched by politicians in the first place, with the willing support of local government bodies throughout the country, and tenderly kept alive by the press. For example, by arrangement between the British and Dutch governments a number of Dutch airmen may be posted for training to Northern Ireland. The politicians, casting about for something to do, will decide that this is a flagrant violation of Irish rights and Irish soil—it is apparently their belief that if they behave for long enough as if the Border were not there it will lose heart and vanish of its own accord—and tantamount to an act of armed aggression.

Diplomatic protests will be made, county councils will cable sharply to similar bodies in Holland, causing perhaps a few honest Dutch brows to wrinkle in amazement, and a boycott of Dutch goods will be announced. The public goes on its way completely unmoved, and a little later a Friendship with Holland Week can be arranged, to show it was all in fun.

Again, the Fuss may be a feat of private engineering. A troublemaker might write in to the papers under an assumed name to point out that a valuable picture in one of the public galleries was in need of restoration. This would be hotly denied by the authorities concerned and a merry little exchange would take place. There would be a resurgence of interest in art. The gallery, whose usual public consisted of



a few students from Trinity College, might suddenly be thronged and the anxiety for one of Ireland's treasures increased by the discovery that the room containing it was suddenly closed for spring cleaning or reorganization or, perhaps, just closed, with the glass doors veiled in brown paper. That would be quite a good little Fuss, enjoyed by nearly all and harmful to none; for if many months later it were to happen that a discreet paragraph in the newspaper announced the return of the picture, duly restored by the hand of a foreign expert, by that time another Fuss would be holding the public eye and the memory of earlier assertions and contradictions would be sponged from the public memory.

For the most entertaining Fuss, if not the biggest, of recent years the palm must go to none other than Father Felim himself. It began with his letting fly out of the blue on the subject of liberalism and socialism, which, he contended, not only led to economic absolutism and totalitarianism respectively, but also to loose living, abortion, free love, homosexuality, and divorce. Among the black sheep of these two "isms," which he apparently linked together, he listed Voltaire, Rousseau, Bentham, Marx, Engels, Zola, Gide, Russell, and Proust. A hullabaloo broke out in the columns of the Protestant *Irish Times* and raged for weeks on end. The eccentric friar, impervious to all argument but his own,

easily rode the storm, inducing in the mazed minds of his readers a condition bordering on vertigo; and the eyes of his chief opponents gradually took on a wavering, moon-struck look as of creatures lost among new and startling dimensions. In mercy at last the editor brought the thing to a close, and not long afterwards in Galway I was pleased to see Father Felim, whose time perhaps lay heavy on his hands, announcing a lecture to be called "This Art Business—What Is It?"

The papers today had nothing near so good. From one end to the other there was nothing to make one sit up and cry "Ha!" A social column revealed that an Irish lady novelist had arrived in Dublin and was staying at the Shelbourne. A certain Doctor would be out of town for three weeks. A Mrs. O'Reilly had removed from the South Circular Road to a house in Rathgar. A hairdresser announced his return from the South of France. A mouse had been found in a bottle of stout, causing nervous shock to the consumer: damages were awarded. A country lad had batted his old dad over the head with a log with fatal results and had given himself up, in an agony of remorse, to the parish priest. An editorial explained to the world where it was going wrong. A bishop was appealing for funds.

I went out into the sunlight again, the three old gentlemen gravely replacing their bowler hats as I did so.

# China: History Versus Hysterics

NATHANIEL PEPPER

REVOLUTION IN CHINA. by Charles Patrick Fitzgerald. New York: Frederick A. Praeger, Inc. \$4.50.

THE COMMUNIST revolution in China is destined to exercise an influence which cannot yet be measured but which will hardly be slight. In the last few weeks two conflicting historical theories of its origin have been propounded. One is the report of the McCarran Subcommittee on Internal Security, accompanied by the glib observations of Senator Pat McCarran himself before the Senate. The other is a book by Charles Patrick Fitzgerald, a Briton who has lived in China in both an official and unofficial capacity and is now a professor in the Australian National University.

The McCarran theory is simple and satisfying—satisfying, that is, to those who take their intellectual satisfactions simply. It is that the accession of Communism in China is the doing of the American Institute of Pacific Relations. As McCarran pithily put it in the Senate, China would now be free (meaning still under Chiang Kai-shek) "but for the machinations of the small group that controlled" the IPR. Apparently this dictum absolves nonmember Dean Acheson, which must be embarrassing to McCarran and will be embarrassing to Republican strategists between now and November 4.

## What, No Traitors?

The Fitzgerald theory is less simple and succinct and cannot be so easily put. The author has the disadvantages of being a historian, having some philosophical perspective, and knowing a great deal about China. He does not mention the IPR or Dean Acheson or even Owen Lattimore. He thinks the Chinese people played some part in their country's Communist revolution.

Mainly he thinks Chinese history had most to do with it, that it is a projection of forces set moving in the past. In fact, he believes the Communist movement cannot be understood except in relation to Chinese institutions, the philosophy that gave them their form, and the psychology slowly molded by both.

In the state of mind now prevailing in this country it may be doubted whether Fitzgerald will have as much influence as McCarran, but his point of view is a healthy corrective for the contemporary-mindedness that is the weakness of American thinking on all questions of world politics. What has happened in China did not begin with Chiang Kai-shek or Mao Tse-tung or the Japanese war or even Sun Yat-sen. It began when the traditional Chinese system, the political and social system that had stood for some two thousand years, began to break under the weight of new forces thrust upon it. The most serious of these was the intrusion of western power and western ideas. Another was the decline of the Manchu ruling house.

The cumulative effect of the in-



truding forces was to undermine traditional institutions. The weakness of the Manchus as the embodiment of the old principle of authority led to their easy overthrow. The influence of new western ideas manifested itself in the adoption of the republic in 1912 as the expression of a new principle of authority. The republic failed because, like the Manchus, it was not based on the two foundation stones that had always given the system stability.

These, in Mr. Fitzgerald's view, are the scholar class and the peasantry. Any dynasty that lost the support of either one of these had to fall sooner or later. By their fecklessness and misrule the Manchus had lost the peasants. Thus they fell, even though they held the support of the mandarins, the scholars through whom they worked. The republic fell because it lost the support of both peasants and intellectuals. Its officials despoiled the peasants, and intellectually it was too thin to hold the scholars. The Communists always promised the peasants a better life, and wherever they held power before 1948 they redeemed their promises. The scholars, inevitably repelled by the anti-intellectualism of the Chiang régime and its suppression of ideas, also saw some hope in the Communist message and its promise of a new dispensation. It must be emphasized that the Communists won by default; the Nationalist régime lost China and the Communists succeeded.

As a matter of fact, Mr. Fitzgerald is inclined to doubt that what obtains in China now is really revolutionary by Chinese criteria. He thinks it conforms more nearly to the historic principles of the Chinese system than anything that has preceded it since the Manchus' decline. What are these principles? They are universality, or-





thodoxy, and authoritarianism. The Chinese Empire was universal, embracing all the civilized world known to the Chinese. Its orthodoxy lay in Confucianism, the body of precepts that governed men's conduct from birth to death and were accepted as the way of life. The authoritarianism lay in the rule of the upper or scholar class, with the Emperor as titular or symbolic head, a rule that none challenged unless it became so malevolent as to provoke a kind of elemental mutiny, in which case another dynasty succeeded, with the same scholar class as its agent.

It is to these principles, Mr. Fitzgerald thinks, that the Communists have returned. Therefore, he believes, their rule is not alien to the Chinese and had a good prospect of permanence. The universality is there, since Communism is a message, aimed at all mankind. The orthodoxy is there, for all belief is minutely prescribed in the Marxist-Leninist-Stalinist dogma, which must be taken on faith. The authoritarianism is plainly there; Mao Tse-tung himself has said that his régime is a dictatorship, though exercised for the benefit of the people.

This is Mr. Fitzgerald's most original idea, and he develops it with an imagination and close reasoning that command respect but not necessarily agreement. He has forced his analogies too far. There was orthodoxy under Confucianism, but it covered only broad universal truths, fundamental beliefs, morals, and ceremonial in human relations. It did not dictate

minutiae in oral expression. It did not compel men to call something black today and white tomorrow. It was a cumulative accretion, adopted by tacit common consent and thus permanent; it was not taken on by single fiat and subject to arbitrary and abrupt reversal. Over the centuries a Chinese might not be able to tell just what the orthodoxy was, but he lived it. It was life, not somebody's command. That was why even conquering alien emperors could not change it but themselves had to conform. Between Confucianism, orthodox as it was, and Marxism or Stalinism or Maoism—whichever it may be in China—I do not see any analogy or even likeness.

So too with authoritarianism. Mr. Fitzgerald says that in the T'ang or Sung dynasties a thousand years ago China was just as totalitarian and authoritarian as it is today. I cannot agree. The Emperor and the mandarin theoretically had absolute power, but it was not carried down into the details of the intimate life of the people. Except in larger, almost timeless concerns, the life of Chinese individuals was singularly free from higher jurisdiction. It proceeded by custom, by unwritten law, by the sanction of usage, not subject to changing ordinance and injunction. It was a kind of anarchy under a compact resting on tradition. Under the Communists everywhere, and already increasingly so in China, authority touches the most intimate concerns of daily living, dictating words as well as acts. It represents the dictates of men, observable, laid down and subject to change, not the unexpressed sanction of usage. Where there was authority, now there is authoritarianism. The difference is more than verbal.

### The New Order Changeth

I do not think, then, that Chinese Communism reverts to what is traditional and authentic in Chinese thought and therefore has the promise of long life. It is more likely to be transient, precisely because it is so out of harmony with what Chinese have always accepted as proper conduct in the relations of men. Take the question of intellectual liberty, freedom of thought. No doubt there used to be an orthodoxy of belief in fundamentals that men challenged at their inconvenience, though not necessarily at

their peril. But it did not extend to the most trivial issues and did not dictate verbal forms. I do not think Mr. Fitzgerald has taken account of what has happened in China in the last two years. Until then there was a measure of intellectual freedom under the Communists, but now the note of toilers' botany, of bourgeois astronomy, of class-enemy geology has begun to enter. This is Stalinism, not Confucianism, and I doubt that it can be naturalized in China.

Mr. Fitzgerald makes the reservation that Chinese Communism may adapt itself to the genius of the people and their history and environment and thus take on a cast distinctive from Russian Communism. Rather, it seems to me, such a development is necessary if Chinese Communism is to last at all. But just because all the current indications are that Mao Tse-tung's régime is sedulously aping the Russian in word as well as act, I think there is a greater prospect that in time it will be cast off as something alien, synthetic and incompatible.

One may agree with Mr. Fitzgerald or may not, but one does either with respect. Certainly it is a relief, amid the loose, unthinking, almost vulgar clatter about China that has drugged us in the last few years, to come upon a book that reveals knowledge, breadth, imagination, and reasoned judgment. It is a relief to find the revolution in China supplying the subject of intellectual discourse and, for once, not used as a leaky washer in town-pump politics.





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